Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper | R | Paris, Monday, March 10, 1997 | No. 35,465

TODAY: SPORTS

An Italian Powerhouse Mixes Money and Style

Fiat, Mediobanca and Marzotto Creation Could Rule Europe's Fashion Industry

By Alan Friedman and Suzy Menkes
International Herald Tribune

MILAN — Three of Italy's most powerful business empires — Fiat, Mediobanca and the Marzotto clothing group — will pool a range of activities to create a $5 billion-a-year conglomerate that could change the face of Europe's fashion and clothing industry.

In European terms, the move will produce, among its holdings, a clothing and fashion powerhouse that includes the manufacturers of such brands as Armani, Valentino, Hugo Boss and Fila.

But critics warned over the weekend that in Italian terms, the deal may be an attempt by Mediobanca, the secretive Milan merchant bank, to place under one roof an array of assets that represents more a power play than a group based on a coherent industrial strategy.

Separately, executives of some of the designer houses that would be grouped under the new entity worried that the merger would create a corporate juggernaut that could hurt quality control and flatten smaller fashion houses.

Giovanni Agnelli, the honorary president of Fiat, called the creation of the new Gruppo Industriale Marzotto "an excellent deal" and said: "I am sure this huge clothing and publishing group is in a position to do very well."

Nearly two-thirds of the new conglomerate will be in the fashion and textiles sector. But the company will also control the Rizzoli Corriere della Sera newspaper and book-publishing business and will have investments in the Pirelli tire business, in metallurgy, pulp and paper, household furnishings, and banks including a 0.7 percent equity stake in Mediobanca itself.

The leading shareholders of GIM will be Fiat, with 17.3 percent; Marzotto, with 12.4 percent, and Mediobanca, with 10.5 percent.

While Pietro Marzotto, chairman of the new group, hailed the merger as having assembled "a very important fashion group with great synergies, which will encourage product development and research into new materials," critics were less sanguine.

"The move is not justified by any industrial plan," said Walter Cerfeda, an official of the CGIL trade union.

Natale Forlani of the CISL, another union group, said, "The merger is aimed at perpetuating the old balance of power."

The new group said it would have annual revenue of 8.2 trillion lire ($4.83 billion), a net profit of 253 billion lire, with a work force of 21,000 people.

Some critics suggested that the new group, which will start with 1 trillion lire of cash resources, might aim to secure large stakes in Italian state-controlled groups that are slated for privatization. These include the telecommunications giant Società Finanziaria Telefonica, or STET, and its subsidiary Telecom Italia.

"The most likely design of Fiat, Marzotto and Mediobanca is to play an

See MERGER, Page 13



Claro Cortes/Reuters

PENNED — Vietnamese children peering out from a Hong Kong camp during a visit by the UN refugee chief, Sadako Ogata, on Sunday. China is pressuring Hong Kong to do something about the Vietnamese.

Germany Expels U.S. Diplomat For Spying

Envoy Is Accused Of Trying to Steal High-Tech Secrets

By William Drozdiak
Washington Post Service

BERLIN — Germany has ordered an American diplomat to leave the country after accusing him of trying to recruit senior officials for espionage and steal secrets related to high-technology projects, government officials say.

It was believed to be the first time that an American diplomat has been expelled on spying charges from postwar Germany, according to a report by Der Spiegel, the weekly newsmagazine, which made public the information ahead of publication on Monday.

German officials confirmed the expulsion, but a spokeswoman for the U.S. Embassy declined to comment. State Department officials in Washington also declined to comment.

According to Der Spiegel's account, a CIA agent working under diplomatic cover tried to obtain classified information and suborn officials from Germany's Economics Ministry. An official who was approached reported the contacts to Germany's counterespionage agency, the Federal Office for the Protection of the Constitution, which demanded that the diplomat leave the country.

The news weekly said the diplomat, whom it did not identify, had already left Germany, although it did not say when. To avoid any disruption in good working relations between the two allies, Der Spiegel said the case was handled discreetly by the intelligence hierarchies of both nations. The Bonn government did not summon the U.S. chargé d'affaires, J. D. Bindenagel, to express its displeasure nor did it formally declare the alleged spy persona non grata.

The spying episode reflects a new era of increasing economic competition among Western allies now that the Soviet military threat has vanished. Two years ago, France expelled five Americans — four of them CIA officers operating as diplomats in the U.S. Embassy — after they were caught trying to bribe French officials for information

See EXPEL, Page 6

Japanese Face Up to Need for Change

As Nation's Old Economic Model Wanes, Apprehension Mixes With Hope

By Sandra Sugawara
Washington Post Service

TOKYO — After six years of painful recession and stagnation, many Japanese have reached a once-unthinkable conclusion: Japan Inc. has got to go.

The famous system of government-corporate collaboration that made their country one of the world's richest has proved powerless to revive an economy that last boomed in 1990. Now political and business leaders, with the support of much of the public, are trying to make changes on a scale not seen since U.S. occupation forces busted up the *zaibatsu* industrial trusts after World War II.

The new view is that years of protection of core industries in the home market — banks, airlines, insurance, energy, transportation and others — have left many fat and bumbling. They must face competition, even if it is painful in the near term. These are signs of the changing times:

- Small and medium-sized banks, burdened with bad loans, are being allowed to fail for the first time in half a century. Japanese television viewers have seen sobering images of worried account holders lining up at shuttered institutions.
- Big manufacturers are buying parts from lower-cost factories abroad and letting increasing numbers of local suppliers, small operations that they nurtured for years, go bankrupt.
- Discount retailing, long a taboo to protect millions of shopkeepers, is a big growth industry. Many Japanese, seeking to make household budgets go further in times of economic hardship, shop at supermarkets and cut-rate warehouse stores, bypassing the small shops and their higher prices.
- Foreign products have gained new importance in the marketplace — rice, beef, medical equipment, computers, clothing — and are helping to push down prices.
- Prime Minister Ryutaro Hashimoto is championing a plan to remove many regulations on the financial industry. Regulators are clearing the way for the takeoff of Skymark, the first new air-

See JAPAN, Page 13

FBI Alerted 6 Lawmakers To Donations From Beijing

By Brian Duffy and Bob Woodward
Washington Post Service

WASHINGTON — The FBI warned six members of Congress, including Senator Dianne Feinstein, last year that they had been singled out by China to receive illegal campaign contributions funneled through foreign corporations, according to U.S. government officials.

The unusual warnings, delivered in individual, classified briefings, were based on what the officials called "specific and credible" intelligence information. The FBI briefing materials, the officials said, included this statement: "We have reason to believe that the government of China may try to make contributions to members of Congress through Asian donors."

The identities of the other members of Congress warned by the FBI could not be confirmed.

A spokesman for Mrs. Feinstein, who sits on the Foreign Relations Committee, said the California Democrat received the FBI briefing on June 14.

Bill Chandler, the spokesman, declined to provide further information but said that Mrs. Feinstein decided Friday to return approximately $12,000 in campaign contributions from donors associated with Lippo Group, an Indonesian banking and real estate conglomerate with extensive business interests in China. It is not clear whether those contributions are linked to the suspected Chinese government operation.

A Justice Department task force created late last year to investigate fund-raising activities during the 1996 campaign has found no evidence that Mrs. Feinstein or any other member of Congress knowingly received illegal payments from the Chinese government, officials said.

But investigators have obtained what

See WARNING, Page 6

How Scientologists Won Tax-Exempt Status in U.S.

By Douglas Frantz
New York Times Service

On Oct. 8, 1993, 10,000 cheering Scientologists thronged the Los Angeles Sports Arena to celebrate the most important milestone in the church's recent history: victory in its all-out war against the Internal Revenue Service.

For 25 years, IRS agents had branded Scientology a commercial enterprise and refused to give it the tax exemption granted to churches. The refusals had been upheld in every U.S. court. But that night the crowd learned of an astonishing turnaround. The IRS had granted tax exemptions to every Scientology entity in the United States.

"The war is over," David Miscavige, the church's leader, declared to tumultuous applause.

The landmark reversal shocked tax experts and saved the church tens of millions of dollars in taxes. More significantly, the decision was an invaluable public relations tool in Scientology's worldwide campaign for acceptance as a mainstream religion.

On the basis of the ruling, the State Department recently criticized Germany for discriminating against Scientologists. Bonn regards the organization as a business, not a tax-exempt religion.

The full story of the IRS turnabout has remained hidden behind taxpayer privacy laws for nearly four years. But a New York Times examination found that the exemption followed a series of unusual internal IRS actions that came after a broad campaign orchestrated by Scientology against the IRS and people who work there. Among the findings of the review, based on interviews and public and internal church records, were:



- Scientology lawyers hired private investigators to dig into the private lives of IRS officials and to conduct surveillance to uncover potential vulnerabilities. One investigator said he had interviewed tenants in buildings owned by three IRS officials, seeking housing code violations. He also said he had created a phony news bureau in Washington to gather information on church critics. The church also financed an organization of IRS whistle-blowers that attacked the agency publicly.
- The IRS decision to negotiate with the church came after Fred Goldberg Jr., the commissioner at the time, had an unusual meeting with Mr. Miscavige in 1991. Scientology's own version of the event recounts how the church leader walked into the agency's headquarters without an appointment and got in to see Mr. Goldberg. Mr. Miscavige offered to call a halt to Scientology's lawsuits against the IRS in exchange for tax exemptions.
- After the meeting, Mr. Goldberg created a committee to negotiate a settlement with Scientology outside normal agency procedures. When it found that all church entities should be tax-exempt, IRS tax analysts were ordered to ignore the substantive issues in reviewing the decision, according to IRS memorandums and court files.
- The IRS refused to disclose terms of the agreement, including whether the church was required to pay back taxes, saying it was confidential taxpayer information. The agency required both the Jimmy Swaggart Ministries and an affiliate of the Reverend Jerry Falwell to disclose that they paid back taxes in settling disputes in recent years.

In interviews, senior Scientology officials and the IRS denied that the church's aggressive tactics had any effect on the agency's decision.

Mr. Goldberg, who left as IRS commissioner in January 1992 to become an assistant treasury secretary, said privacy laws prohibited him from discussing Scientology or his meeting with Mr. Miscavige.

The IRS reversal on Scientology was nearly as unprecedented as the long and bitter war between the organizations. Over the years, the agency had steadfastly refused exemptions to most Scientology entities, and its agents had singled out the church for numerous investigations and audits.

Throughout the fight, the agency's view was supported by the courts. A year before the IRS's reversal, the U.S. Claims Court had upheld its denial of an exemption to Scientology's Church of Spiritual Technology, which had been created to safeguard the writings and lectures of L. Ron Hubbard, the late science fiction writer whose preachings form the church's scripture.

Among the reasons listed by the court were "the commercial character of much of Scientology," its "virtually incomprehensible financial procedures" and its "scripturally based hostility to taxation."

In October 1993 the IRS announced that it was issuing 30 exemption letters covering about 150 Scientology churches, missions and corporations. Among them was the Church of Spiritual Technology.

"It was a very surprising decision," said Lawrence Gibbs, the IRS commissioner from 1986 to 1989 and Mr. Goldberg's predecessor. "When you have as much litigation over as much time, with the general uniformity of

See SCIENTOLOGISTS, Page 7

Albanian Chief Offers Vote and Reconciliation

By Christine Spolar
Washington Post Service

VLORE, Albania — President Sali Berisha, confronted with an armed civilian revolt throughout the south, said Sunday that he sought a "new government of reconciliation" to represent all political parties. He proposed new elections within two months.

In an extraordinary televised session with opposition leaders, Mr. Berisha said he wanted to send a "civilized message" from the embattled Balkan country to its neighbors and "those who are watching very closely what is going on here."

Opposition leaders later agreed to the presidential offer even as the rebel groups in the south dismissed it and continued to demand his resignation

"This is what Albania needs more than anything else," Mr. Berisha said of his call for unity. The new Parliament, he said, should include members of the Socialist Party, the successors to the Communist regime that ruled the country for decades.

Mr. Berisha's offer appeared grudging after a week of demands from opposition parties and the European Community and days after he was elected to a second presidential term by his lopsided majority in Parliament.

At least one of the proposals was likely to be rebuffed by his toughest critics — his suggestion for elections within two months. The Socialists had previously said such a short period would not give them time to prepare.

Mr. Berisha also made a vague and unclear offer of general amnesty for all those involved with pyramid schemes. The collapse of such schemes triggered the revolt.

He also suggested extending by another week an amnesty for those who have stolen weapons from state military barracks. The original amnesty has lasted two days and has been largely ignored.

Mr. Berisha's statement came the day after the army lost another key southern town, Gjirokaster, which fell to the rebels Saturday. A retired army general, Agim Gozhita, took charge, ordering

See ALBANIA, Page 6

The Tough Task of Selling the Euro

By Anne Swardson
Washington Post Service

DOUAI, France — Holding his cafeteria tray of roast chicken and cheese, Michel Barnier did something rare for a French cabinet minister: He mingled with ordinary people.

Plopping himself down at a table of high schoolers in this northern industrial town, the minister for European affairs asked them what worries they had about Europe's plan to join all its currencies into one.

Mr. Barnier got an earful.

Will all the languages meld together? asked Janie Lamiaux, 16.

Will cannabis become legal or will the Netherlands have to tighten its lax laws? asked Ouraoui Dalla, 18.

And Manuel Roumelard, 17, had some big ones. "Will it resolve our unemployment problem?" he inquired. "Will we see a difference? Will it be good for us?"

Mr. Barnier answered each question as best he could, as he has in one corner of France or another every Thursday for the last 18 weeks. But beyond Douai, beyond France, fundamental concerns are being raised by ordinary European citizens about how their lives will change in the new-money world of the euro.

Polls in the countries likely to be in the euro "club" when the selection is made a year from now mostly show support, either by majorities or evenly divided figures. Politicians and experts fear, though, that as the budgetary austerity required to qualify for the club intensifies, and sacrifices are required from citizens, support may erode if people do not understand the purpose of the exercise.

"We have constructed Europe for 30 years for the people, but without them," said Mr. Barnier. "Europe must put a face on what it does, explain what it does, rather than just pass laws and produce texts."

Mr. Barnier was summing up a central problem. Europeans in many of the European Union's 15 member countries tend to regard the Union as a distant, bureaucratic, nannyish entity. From Finland to Greece, there is a widespread view that policies made in Brussels are enacted with little thought for the ordinary citizen. Until now, that attitude has not undermined support for the European Union, but there are signs that may be changing.

Last week, for instance, when the French automaker Renault abruptly announced it was closing a factory in Belgium, eliminating 3,000 jobs, thou-

See FRANCE, Page 6

EU leaders are trying to quicken the pace of Union reform. Page 5.

Newsstand Prices

Andorra	10.00 FF	Morocco	16 Dh
Antilles	12.50 FF	Qatar	10.00 Rials
Cameroon	1,600 CFA	Réunion	12.50 FF
Egypt	£E 5.50	Saudi Arabia	10.00 R.
France	10.00 FF	Senegal	1,100 CFA
Gabon	1100 CFA	Spain	225 PTAS
Italy	2,800 Lire	Tunisia	1,250 Din
Ivory Coast	1,250 CFA	U.A.E.	10.00 Dirh
Jordan	1,250 JD	U.S. Mil. (Eur.)	$1.20
Lebanon	LL 3,000		

AGENDA

Reward Is Offered In Beijing Blast

Saying that "criminal elements" were behind the bombing of a bus in Beijing, China offered a reward for help in solving the case.

Uighur nationalists took responsibility for the blast, and promised to continue the bombing campaign in pursuit of their goal of an independent Xinjiang region.

The bomb went off Friday during rush hour. Government media say no one died in the blast, but sources said two people were killed and 30 were wounded. The blast in Beijing followed a series of bombings in Urumqi, the Xinjiang capital. Page 4.

Books ..... Page 7.
Crossword ..... Page 7.
Opinion ..... Page 8.
Sports ..... Pages 16-18.

International Classified ..... *Page 4.*

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Reuters

WINNER'S SMILE — Wilson Kipketer of Denmark celebrating his victory and record in the 800 meters Sunday in Paris. Page 18.

PAGE TWO

Japanese Take Silly TV Seriously

Contrary to National Image / **Japan's 'Silly' Television**

Life Too Serious? Cue the Pudding Racers

By Sheryl WuDunn
New York Times Service

TOKYO — On one channel, two men race around an obstacle course, clumps of slippery vanilla pudding swishing around on plates on their heads.

On another, dozens of chefs are cooking up mayonnaise masterpieces: mayonnaise cream puffs, mayonnaise noodles, mayonnaise-and-meat hot pot, mayonnaise stir-fry.

And on another, two women are trying to crush soda cans by putting them in their cleavages and squeezing their bikini-clad breasts together.

So much for the image of serious Japan.

Anyone who turns on a television at night in Japan finds a succession of variety shows that are crazy, zany and absolutely inane.



Fumiyo Asahi/The New York Times

If a Western stereotype of Japanese is of painfully serious people who relax by taking off their dark jackets and listening to Mozart on compact disk, a night spent watching Japanese television will disprove it. "I really like what you call silly programs," said Kenichiro Horii, 39, a television columnist who has six televisions in his home office, three of which are on virtually all his waking hours. "I like programs that make no sense, that have no point. The more nonsensical they are, the more interesting I find them."

To be sure, every country has inanity on the airwaves, and Japan does produce many serious television programs about domestic and international affairs. There may be more nudity on Japanese television than on American screens, but there is also sophisticated discussion of economics and ample cultural programming.

Moreover, a few variety programs have won thousands of fans for their inventiveness, and some Japanese television programming is broadcast elsewhere in Asia. Japan also produces engaging video games that sell well around the world.

But when it comes to creating television programs and movies, few people seem impressed. The pudding-race program, for instance, was pulled off the air because its ratings were too low.

These days, as the battle for Japan's airwaves heats up in anticipation of more cable and satellite channels, more and more Japanese are voicing frustration with their television programs.

"You can't be serious about what's going on the TV screen, it's such nonsense," said Hidetoshi Kato, a sociologist. "It's not intellectual. It's not educational."

Shows like this one, featuring women crushing soda cans in their cleavages, have led viewers to complain about 'too many stupid programs.'

A typical Japanese viewer over 7 years old watched television for 3 hours 47 minutes each day last year, down six minutes from the year before, according to the Broadcasting Culture Research Institute of NHK, the Japan Broadcasting Corp. In the United States, according to Nielsen Media Research, the television set in an average home is on for 7 hours 48 minutes a day.

PRIME-TIME television is not focused on cops-and-robbers shows, sitcoms or family dramas. Instead, it is full of low-budget game shows and variety programs in which TV personalities do things like engage 4-year-olds in tricycle races during which the children take bites from hanging doughnuts.

One program brought out a young child, told him that his mother had been shot to death and timed him to see how long it would take before he started crying. Other television hosts learn how to firm up their buttock muscles from exercise gurus like Atsuo Doi, 52, who has written a book and formed his own Institute of the Healthy Method of Anus Exercising.

"The audience is becoming more easily bored and the younger they are, the more bored they become," said Hiroshi Watanabe, who directs a popular quiz show. "But TV programs these days just do the same thing over and over."

Repetition is not what inspired Mariko Toyota's recent angry letter to Asahi Shimbun, the Tokyo daily. It was the increasingly absurd raciness on television.

"There are too many stupid TV programs," said Mrs. Toyota, 35. "TV stars go beyond common sense to take off their trousers. Sometimes they even take off their underwear to get a laugh." She added: "If this is the present status of Japanese comedy, it is pitiful."

On Saturday nights, for instance, one variety program offers viewers a strange mix of silliness and nudity.

In one episode, the program began with the introduction of a giant purple robot. The character, played by a contestant who had spent 150 hours to make his cardboard and plastic costume, shyly chatted with the show's hosts and hostesses before he and his escorts stumbled off stage.

Then the stage set changed and a middle-aged man dressed in a kimono described the personalities of three women by reading the lipstick prints they left on a glass window after kissing it in front of the audience. After a few skits featuring women in lingerie and another woman receiving a full-body massage, the program moved on to scenes of a female photographer taking pictures of a woman stripping before the camera.

The program, which is supposed to help ease stress in both men and women, is aimed at Japan's best and brightest: college students.

"Students don't want to watch programs about social problems or politics when they come home and would rather watch girls with nice bodies or girls in lingerie," said Kenichiro Ono, producer of the program. "They want to recover their energy through watching such programs. If it's after midnight, or 1 A.M., they just want to watch a program where they don't have to use their brain."

Mr. Ono seems to have reached even an even younger audience. Irate mothers have sent in letters asking to move the show later because their grade-school sons were secretly waking up late at night to watch the show.

Embattled Netanyahu Running Out of Allies

By Barton Gellman
Washington Post Service

JERUSALEM — Prime Minister Benjamin Netanyahu, who emerged from the Hebron agreement in January with aspirations of being a consensus politician, looks today like a man without allies, as embattled as any Israeli prime minister in memory.

Washington has displayed irritation with his government; the conflict with Palestinians is again on the brink of violence, and his cabinet includes old antagonists like Foreign Minister David Levy and Finance Minister Dan Meridor and such once-loyal lieutenants as Communications Minister Limor Livnat, with whom he is barely on speaking terms.

With multiple fractures in his coalition, Mr. Netanyahu's hold on power is the subject of increasing speculation. His history as a successful underdog makes it foolish to write him off, but party activists and foreign diplomats who watch him closely say Mr. Netanyahu has not been in this tough a spot before.

On the way back from Egypt last week, Mr. Netanyahu confided to a journalist, Shimon Shiffer, that "there are some moments of isolation in my job."

That was before eight rightist lawmakers threatened Friday to abandon his parliamentary coalition, enough to bring down the government.

It was before Uzi Landau, a senior Likud legislator and former key supporter, called him a liar, and before his Likud predecessor, Yitzhak Shamir, demanded that he resign.

It was also before a tense telephone conversation with Secretary of State Madeleine Albright, in which, according to accounts from both governments, he refused her requests to freeze plans for a new Jewish neighborhood in East Jerusalem and rescind police orders to close Palestinian political offices in the city's Arab neighborhoods.

Mr. Netanyahu's assets include a public trustworthiness rating of 52 percent in a poll last week in the newspaper Ha'aretz, down from 64 percent in August but still respectable. He has also managed to juggle the most divisive issues of land for peace while commanding strong majorities for each decision among Israeli Jews.

But he now is alienated almost completely from Israel's political establishments, including that of his own party.

So far have his political fortunes declined that he invited the opposition leader, Shimon Peres, for an unscheduled, and briefly secret, meeting to talk about a Likud-Labor "national unity" government. Mr. Netanyahu has raised the idea before "as a ruse," one close aide said. "I think this time he may actually mean it."

For the moment, even if he means it, the idea seems doomed. A police investigation into allegedly corrupt deals behind the appointment of a short-lived attorney general in January has left the government under an ethical cloud. Forming a coalition now, said Yitzhak Herzog, a Labor Party activist, would be "like joining a colony of lepers."

There is no evidence for the most spectacular of the allegations in the affair: that two men facing felony charges — the Shas party leader, Aryeh Deri, and a Likud money man, David Apel — tried to install their own candidate for attorney general, cut a deal with him to grant them pardons or plea bargains, and threatened to hand Mr. Netanyahu a major political defeat if he did not appoint their man.

Even if the police bring no charges, there have been enough untoward disclosures to do lasting damage. There is evidence that Mr. Deri and Mr. Apel had advance knowledge and participation in the nomination of Roni Bar-On for the post. The justice minister, Tzahi Hanegbi, was shown in a leaked cabinet transcript to have misrepresented Mr. Bar-On's credentials.

Mr. Netanyahu, after being questioned, hired a lawyer who spread word that the Bar-On nomination was Mr. Hanegbi's fault. Mr. Hanegbi, once Mr. Netanyahu's closest political operative, spread a counterspin that the nomination was mainly his boss's idea.

Trade Minister Natan Sharansky, a former Soviet political prisoner, showed increasing signs of discomfort with the case. "As someone with considerable experience of interrogations, I know that when those under investigation start blaming each other that means the investigation is succeeding, and that doesn't smell good," he said.

Mr. Sharansky's party, Israel B'Aliyah, controls seven seats in Mr. Netanyahu's 66-vote coalition, enough to deprive him of a majority in the 120-seat Parliament. The Third Way Party, led by Internal Security Minister Avigdor Kahalani, controls four. Both are new parties with clean-government images, and although both are enjoying their first taste of power, they also have some incentive now to be the first to call for new elections because of the scandal.

The noisiest at the moment is the hard-core ideological right, which felt betrayed, first by Mr. Netanyahu's agreement in January to abide by the Oslo peace accords and withdraw from most of Hebron, and again last Friday, when the cabinet voted to pull back from 9 percent more of the West Bank.

"Bibi," said Infrastructure Minister Ariel Sharon, "is a dangerous man for the state of Israel. I do not believe one word that leaves that man's mouth."

After UN Veto, Arabs Urged to Ban U.S. Goods

The Associated Press

CAIRO — A Saudi-owned newspaper urged Arab countries Sunday to boycott U.S. products, including weapons, in retaliation for the American veto of a United Nations resolution critical of Israel's plan to build housing in an Arab sector of Jerusalem.

In addition, Iran's supreme leader, Ayatollah Sayed Ali Khamenei, said in a speech televised throughout the country that the veto showed America's "global arrogance."

A commentary on the front page of the London-based newspaper Al Hayat, which is owned by a member of the Saudi royal family, said, "Why don't the buying Arab countries agree" not to buy "any American weapon for two or five years so that the United States realizes it cannot humiliate the Arabs?"

"There is a general suggestion to boycott all American goods," it said.

The United States cast the single "no" vote Friday against a European-sponsored resolution in the UN Security Council that criticized Israel's plan for a Jewish housing project, Har Homa, in East Jerusalem. As one of five permanent members of the council, the United States has veto power.

The Arab League, with headquarters in Cairo, said the veto "contradicts the American president's previous statements on this issue and also contradicts previous American positions in the Security Council which deemed settlements illegal and an obstacle to peace."

Ayatollah Khamenei, meanwhile, spoke Sunday in the southern Iranian town of Abadan. Listeners greeted his words with chants of "Death to America."

He told the crowd: "This is one of the Security Council's rare just resolutions, but it is vetoed by the bullying, ignorant and brutal United States. This is what we mean by global arrogance."

An Egyptian newspaper, Al Wafd, said in a front-page commentary that the veto was an invitation to violence.

In Syria, the state-run Tishrin newspaper said the veto caused "big Arab and international disappointment and will have bad repercussions" in the Middle East. Another state-owned paper, Al Thawra, said the veto was "unjust and a hostile act toward the Arabs."

■ Israel to Proceed on Project

The deputy education minister, Moshe Peled, told Israeli radio that Prime Minister Benjamin Netanyahu wants bulldozers to begin work on the Har Homa project next Sunday, despite Palestinian warnings that the project would provoke bloodshed, Agence France-Presse reported Sunday.

Peru Putting Pressure on Journalists in Hostage Crisis

By Diana Jean Schemo
New York Times Service

LIMA — With talks aimed at freeing 72 hostages being held here by leftist rebels derailed, the Peruvian government has quietly begun trying to intimidate foreign journalists who have been maintaining radio contact with the rebel leader holding the hostages.

The government's representative in talks with the rebels, Domingo Palermo, met Thursday with Yves Claude Llorca, the president of the Foreign Press Association here. Mr. Palermo, the education minister, warned that several foreign reporters were under investigation for "advising an armed group," but did not offer names or evidence, Mr. Llorca said.

On Friday night, Miguel Real, a reporter for Worldwide Television News, a British news agency, left Lima for New York after a news conference in which he complained of heavy pressure from the government and said he had been threatened with arrest.

Mr. Real broadcast an interview in which rebels accused the government of tunneling to the residence where the hostages are being held.

Mr. Real said that in the seven years he has spent in El Salvador and South America, "I've never had any involvement with terrorism," adding, "The only contact I've had with them was as a journalist."

The news of the tunnels, which Peruvian papers reported Friday have been under construction since late December or early January, has derailed talks between the Peruvian government and the rebel leader, Nestor Cerpa Cartolini.

[Two mediators entered the Japanese ambassador's residence on Sunday in what appeared to be a resumption of indirect contact between the government and Marxist rebels, Reuters reported.

[Mr. Cerpa said earlier, by walkie-talkie, that he expected a visit by mediators trying to resume talks, but could not say if or when rebels would return to the bargaining table.]

Although it is a life-or-death standoff, the drama involving the rebels holding the hostages in the Japanese ambassador's residence has from the start been something of an image contest between the guerrillas and the government. The government has consistently tried to limit publication of the guerrillas' viewpoints.

The police regularly invited journalists to film captured members of such groups as the Tupac Amaru Revolutionary Movement, which stormed the Japanese ambassador's residence on Dec. 17 and took hostage hundreds of guests at a reception. But it is accusing journalists who make contact with the group now of "advising" them, which is punishable under Peruvian law.

Some foreign journalists have made contact with the rebels using citizens band radios. The government has also bitterly attacked foreign news outlets, including The New York Times, that do not generally refer to the hostage-takers as "terrorists."

In January, a Japanese journalist for Asahi television was arrested and later expelled after sneaking around police lines to enter the residence. The Foreign Press Association here said the anti-terrorism police had put pressure on the station to hand over the journalist's videotape by threatening to keep the station's Peruvian interpreter in jail. The reporter and his interpreter were held for 10 days, and the interview was never broadcast.

Edward Purcell, U.S. Atomic Physicist, Dies

The Associated Press

CAMBRIDGE, Massachusetts — Edward Mills Purcell, 84, a physicist and Nobel laureate whose discovery of nuclear magnetic resonance in 1945 has yielded maps of distant galaxies and detailed medical images of the human body, died Friday in Cambridge.

Mr. Purcell, a Harvard University physicist, shared the 1952 Nobel Prize with Felix Bloch of Stanford University for their independent discovery of magnetic fields in atomic nuclei.

Magnetic resonance imaging, or MRI, uses a powerful magnetic field, radio waves and computers to map the hydrogen in the human body, producing detailed, cross-sectional images.

Nenad Dusan Popovic, 87, Tito Economist Who Defected

NEW YORK (NYT) — Nenad Dusan Popovic, 87, an economic expert in Tito's Communist Yugoslavia who defected in 1961 to teach and write in exile at Syracuse University, died of bone cancer Feb. 25 in New York.

Mr. Popovic was chief of economic affairs in the Yugoslav Foreign Ministry when he took refuge, and was one of the highest-ranking Yugoslav officials to defect to the West. He had planned his defection for years.

Part of his mission was to negotiate loans and credits for the Yugoslav government. Once in the United States, he accepted a professorship at the Maxwell School of Citizenship and Public Affairs at Syracuse.

Christopher Boatwright, 42, a principal dancer with the Stuttgart Ballet, the San Francisco Ballet and the Lines Contemporary Ballet, died of AIDS on Sunday in San Francisco.

Carson Mark, 83, a Manhattan Project scientist who led the team of physicists that developed the hydrogen bomb, died March 2 in Los Alamos, New Mexico.

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TRAVEL UPDATE

New U.S.-Brazil Flights

WASHINGTON (AP) — Continental Airlines and Delta Air Lines won the right to begin daily flights to Brazil under a tentative decision by the Transportation Department. Continental will fly from Newark, New Jersey, to Rio de Janeiro. Delta will fly to Sao Paulo from Cincinnati via Atlanta.

Charter Grounded Again

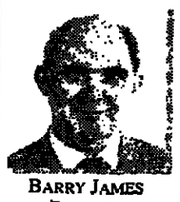
ATLANTA (AP) — AvAtlantic, a charter airline based in Savannah, Georgia, has been grounded for safety reasons for the second time in a year, federal officials said.

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Australia, Belize, Cyprus, Gibraltar, Greece, Russia, Ukraine.
TUESDAY: Lesotho.
WEDNESDAY: Liberia, Mauritius, Zambia.
FRIDAY: Andorra, French Guiana, Liberia.
SATURDAY: Belarus, Hungary, Liberia.

Sources: J.P. Morgan, Reuters, Bloomberg.


BARRY JAMES
Reporter

CURRENT AFFAIRS
Well-informed, newsbreaking, the ins and outs of current events.
If you missed his reporting in the IHT, look for it on our site on the World Wide Web:
http://www.iht.com

'Bushman' Removed

New York Times Service

MADRID — A stuffed African Bushman displayed since 1916 in Banyoles, Spain, has been removed.

Dr. Alphonse Arcelin, a Haitian-born physician, sued the city to have the body, which was dug out of a fresh grave in 1830 by two French explorers and then embalmed, removed. He now wants it taken back to Africa for burial or cremation.

WEATHER

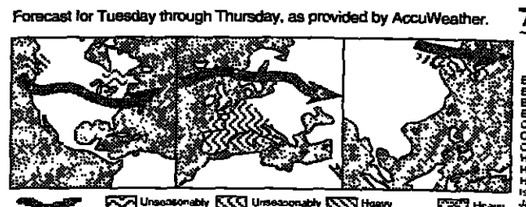
Europe

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Algarve	21/70	10/50 pc	18/66	10/50 pc
Amsterdam	14/57	7/44 s	14/57	9/48 s
Ankara	1/34	-5/24 sn	9/48	-4/25 pc
Athens	10/50	8/46 sh	13/55	9/48 r
Barcelona	14/57	6/43 s	14/57	5/41 s
Belgrade	8/46	-4/25 pc	9/48	1/34 s
Berlin	14/57	8/46 s	16/61	8/46 s
Brussels	15/59	8/46 s	16/61	9/48 s
Budapest	8/46	1/34 s	9/48	3/37 s
Copenhagen	11/52	4/39 s	11/52	6/43 s
Costa Del Sol	19/66	8/46 s	19/66	8/46 s
Dublin	14/57	8/46 pc	14/57	8/46 pc
Edinburgh	12/53	6/43 pc	15/59	6/43 pc
Florence	13/55	2/35 pc	11/52	3/37 s
Frankfurt	14/57	6/43 s	15/59	6/43 s
Geneva	16/61	6/43 s	16/61	7/44 s
Helsinki	7/44	0/32 pc	6/43	1/34 pc
Istanbul	5/41	3/37 sn	11/52	3/37 pc
Las Palmas	25/77	16/61 s	23/73	17/62 s
Lisbon	17/62	10/50 pc	19/61	9/48 pc
London	16/61	7/44 s	16/61	8/46 s
Madrid	18/64	3/37 s	18/64	3/37 s
Mallorca	13/55	6/43 s	12/53	6/43 s
Milan	18/64	6/43 s	17/62	4/39 s
Moscow	0/32	-1/31 c	4/39	0/32 c
Munich	14/57	4/39 pc	16/61	4/39 s
Nice	18/64	8/46 s	14/57	7/44 pc
Oslo	9/48	-1/31 pc	9/48	3/37 pc
Paris	16/61	8/46 s	16/61	8/46 s
Prague	13/55	4/39 s	15/59	6/43 s
Reykjavik	2/35	-4/25 sn	-1/31	-8/18 sn
Rome	14/57	2/35 s	12/53	5/41 pc
St. Petersburg	0/32	0/32 pc	7/44	3/37 pc
Stockholm	9/48	2/35 pc	7/44	3/37 pc
Strasbourg	17/62	8/46 s	18/64	9/48 s
Tallinn	6/43	0/32 pc	6/43	1/34 pc
Vaduz	14/57	3/37 s	12/53	4/39 s
Vienna	13/55	4/39 s	13/55	6/43 s
Warsaw	12/53	5/41 s	13/55	5/41 s
Zurich	15/59	8/46 s	17/62	7/44 s

Middle East

Abu Dhabi	30/71	18/64 c	26/79	18/64 pc
Beirut	19/59	8/48 pc	20/68	12/53 s
Cairo	21/70	11/52 pc	23/73	12/53 pc
Damascus	12/53	3/37 pc	18/61	6/43 pc
Jerusalem	12/53	3/37 pc	17/62	9/48 pc
Luxor	27/80	11/52 c	25/77	13/55 pc
Riyadh	35/79	17/62 pc	24/75	15/59 r

Forecast for Tuesday through Thursday, as provided by AccuWeather.



North America
Periods of rain and snow will continue in the northwestern United States through Wednesday due to an upper-level storm anchored over western British Columbia. It will be unseasonably cold across the Great Lakes and much of eastern Canada through midweek, but milder mid in the southern United States

Europe
Much of Europe will remain in a rather dry and mild weather pattern through Thursday. However, southeastern Europe will be cool and damp Tuesday, followed by gradual moderation. A series of storms will bring episodes of wind, rain and snow to much of Scandinavia.

Asia
Much of northeastern Asia, including Beijing, Seoul and Tokyo, will enjoy a gradual moderating trend through Thursday. However, northern Japan should stay colder than normal. Wet weather will spread into Seoul Wednesday, then Tokyo Friday. Mainly dry and seasonably warm in Hong Kong.

North America

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Anchorage	-3/27	-13/9 s	1/34	-4/25 pc
Atlanta	19/66	7/44 sh	16/61	4/39 s
Boston	3/37	-3/27 sn	2/35	-7/20 c
Chicago	7/44	-2/29 pc	4/39	-4/25 pc
Dallas	19/66	7/44 s	21/70	8/46 pc
Denver	17/62	2/35 s	18/64	5/41 pc
Detroit	6/43	-3/27 pc	3/37	-7/20 pc
Honolulu	27/80	21/70 r	28/82	19/66 sh
Houston	23/73	13/55 sh	21/70	9/48 c
Los Angeles	27/80	13/55 s	23/73	12/53 pc
Miami	28/82	19/66 pc	27/80	17/62 pc
Minneapolis	4/39	-5/24 sh	2/35	-2/29 pc
Montreal	-4/25	-12/11 sn	-4/25	-18/4 pc
Nassau	27/80	19/66 s	27/80	18/64 pc
New York	8/46	0/32 sh	4/39	-4/25 pc
Orlando	29/84	17/62 pc	26/79	12/53 pc
Phoenix	28/82	14/57 s	28/82	13/55 pc
San Fran.	22/71	9/48 c	19/66	6/43 r
Seattle	9/48	4/39 r	8/46	-2/29 sh
Toronto	-2/29	0/16 sn	-3/27	-15/5 pc
Vancouver	7/44	2/35 r	8/43	-3/27 sh
Washington	13/55	3/37 sh	10/50	-2/29 pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hca, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. ©1997

Asia

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Bali	31/88	21/70 pc	31/88	21/70 pc
Bangkok	33/91	24/75 pc	33/91	25/77 pc
Beijing	17/62	4/39 pc	11/52	7/44 pc
Bombay	34/93	21/70 s	34/93	21/70 s
Calcutta	34/93	20/68 s	33/91	21/70 s
Chiang Mai	34/93	22/71 pc	34/93	23/73 pc
Colombo	29/84	21/70 s	29/84	22/71 s
Hanoi	24/75	18/64 pc	25/77	19/66 pc
Ho Chi Minh	34/93	23/73 pc	33/91	23/73 c
Hong Kong	22/71	17/62 pc	22/71	18/64 pc
Islamabad	24/75	13/55 r	24/75	8/43 pc
Jakarta	28/82	22/71 c	28/82	22/71 c
Karachi	28/82	18/64 pc	28/84	14/57 pc
K. Lumpur	31/88	22/71 c	31/88	22/71 r
N. Kanabalu	32/89	24/75 pc	32/89	23/73 pc
Manila	28/82	19/66 sh	29/84	20/68 pc
New Delhi	32/89	17/62 s	31/88	13/55 pc
Phnom Penh	32/89	24/75 c	33/91	23/73 c
Phuket	33/91	24/75 pc	33/91	25/77 pc
Rangoon	33/91	24/75 pc	33/91	25/77 pc
Seoul	14/57	3/37 sh	13/55	5/41 pc
Shanghai	23/73	17/62 c	21/70	13/55 r
Singapore	32/89	25/77 pc	32/89	24/75 pc
Taipei	24/75	18/64 pc	25/77	18/64 pc
Tokyo	10/50	8/46 pc	17/62	1/34 pc
Wonsan	23/73	18/64 pc	23/73	18/64 pc

Africa

Algiers	17/62	3/37 pc	18/61	4/39 pc
Cape Town	21/70	9/48 pc	18/64	10/50 s
Casablanca	23/73	13/55 pc	22/71	11/52 pc
Harare	30/86	12/53 s	29/84	10/50 pc
Lagos	32/89	24/75 pc	31/88	24/75 pc
Nairobi	29/84	12/53 pc	31/88	12/53 pc
Tunis	13/55	4/39 pc	12/53	6/43 sh

Latin America

Buenos Aires	28/82	20/68 c	26/79	18/61 pc
Caracas	28/82	22/71 pc	29/84	22/71 pc
Lima	29/84	22/71 c	29/84	22/71 pc
Mexico City	23/73	9/48 pc	24/75	8/46 pc
Rio de Janeiro	27/80	18/66 s	26/79	20/68 pc
Santiago	30/86	11/52 s	27/80	9/48 pc

Oceania

Auckland	21/70	14/57 s	18/64	17/62 r
Sydney	23/73	16/61 pc	23/73	16/61 pc

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THE AMERICAS

Helms Gets Tough On Chemical Arms

He Would Block Unmodified Pact

By Thomas W. Lippman
Washington Post Service

WASHINGTON — The Clinton administration's efforts to win Senate approval of a major treaty aimed at barring poison gas warfare suffered a new and possibly fatal setback when Senator Jesse Helms, the Foreign Relations Committee chairman, pledged to block it unless it was substantially modified.

"I have given the White House a long list of changes that must be made in this treaty before we agree to Senate ratification of it," the North Carolina Republican said in a fiery, sarcastic speech to the Conservative Political Action Conference Saturday. "I promise you this: Unless the administration makes the modifications I am demanding, the treaty will not leave my committee. Period."

Previously Mr. Helms had said he would not clear the treaty, the Chemical Weapons Convention, out of his committee until the Senate had completed work on other issues he said were more important to Republicans, such as United Nations reform.

The administration has repeatedly said there is no prospect now of amending the treaty, already ratified by more than enough countries to put it into effect on April 29.

If Mr. Helms is determined to hold out for amendments rather than accept the conditions on implementation the administration is offering to resolve Republican reservations, there would appear to be little if any chance of ratification by that date.

The United States was the major architect and promoter of the treaty, which has long had bipartisan support and was signed during the Republican Bush administration.

But if the United States has not ratified by April 29, it will be precluded from participation in enforcement and eventually subject to sanctions.

In an effort to win Senate assent, the administration has been negotiating with nine Republican senators named by the majority leader, Trent Lott, over a ratification resolution that would assuage Republican concerns.

Mr. Helms, however, endorsed the views of a growing number who have argued that the treaty would not block the development or deployment of chemical weapons, cannot be verified and would subject U.S. manufacturers to unconstitutional searches by international inspectors.

"Almost none of the rogue nations that pose a chemical weapons threat to us, such as Iraq, Syria, Libya and North Korea, are signatories to the treaty," Mr. Helms said. "The intelligence community admits that they cannot verify the treaty."

Floods Carve Heartbreaking Trail

By Don Terry
New York Times Service

FALMOUTH, Kentucky — If Edna Gallagher had come home to a house with broken windows, missing porches, caved-in ceilings and floors carpeted wall-to-wall with thick mud, as dozens of her heartbroken neighbors here have, she would have been a happy woman.

She might even have been willing to forgive the Licking River eventually for jumping its banks and drowning this small rural town and taking four lives in the worst flooding this area has suffered in more than 30 years. But Mrs. Gallagher has no time for forgiveness. She is too busy trying to find enough remains of her life to fill a shopping bag.

When the authorities finally said it was safe enough for her and her neighbors to begin cleaning up their homes this weekend, the trailer she had moved into with her 2-year-old daughter and her husband a week before the flood was little more than kindling wrapped around a tree.

If she had not said that the pile of wood and sheet metal flapping in the wind used to be a house, where people sat down to dinner and watched television and dreamed about their child's future, no one would have guessed.

"I pity the people who have to clean up all that mud in their living rooms, but I just wish I had a living room," Mrs. Gallagher said as she wandered the streets of Falmouth with her husband, Brancel, searching for their flood-swept belongings blocks away from where their home once stood. "We came into town a week before the flood with a house full of furniture. Now we don't have a towel to cry into."



Wilfredo Lee/The Associated Press
Vice President Al Gore surveying flood damage.

This town of 2,400 people, in the Kentucky hills on a tributary of the Ohio River about an hour's drive south of Cincinnati, was one of the hardest hit along the destructive path of the Flood of 1997.

Four people, including a 14-year-old girl, died here in the murky waters, which covered the heart of Falmouth but spared homes on the high ground, like that of Pamela Lonaker, who took in a friend and her son, her parents and her brother. All of them had been flooded out.

"I have 13 people in my house," Mrs. Lonaker said Saturday as she took photographs of her friend's 84-foot (25-meter) trailer, which had been moved nearly a block by the flood waters. "Everything we needed was right here in the middle of town. Now we can't get groceries unless we drive out of Falmouth."

Hundreds of residents were moved into the high school gym, where they are sleeping on cots.

The four fatalities here were among 29 deaths from the flooding in West Virginia, Ohio, Indiana, Tennessee and Kentucky. The latest victim was a man who had refused to evacuate in West Point, Kentucky, an Ohio River town downstream from Louisville.

In Louisville, where the Ohio River was expected to crest throughout the weekend, flood walls and other defenses held, sparing the downtown. Other communities along the river were inundated, however, and with more rain expected on Sunday, river towns in western Kentucky were bracing for more high water.

The floods have left tens of thousands of people homeless in the five states and caused hundreds of millions of dollars in damage.

POLITICAL NOTES

A Fund-Raising Puzzle

WASHINGTON — Senate Republicans raised as many questions as they answered when they moved to end the noisy dispute over an inquiry into fund-raising abuses by including congressional campaigns while excluding anything but "illegal activities" in last year's elections.

The Republicans "came up with a solution for the moment, but they've created a battleground" for the duration of the investigation, said Fred Wertheimer, a former president of Common Cause.

As approved Thursday by the Senate Rules and Administration Committee on a party-line vote, the new plan would spend $4.35 million "for the sole purpose of conducting an investigation of illegal activities in connection with the 1996 federal election campaigns." The inquiry would be concluded by Dec. 31, with a report to follow within a month. The rules committee would look into "legal" activities as part of its work on campaign finance legislation. *(WP)*

Attack Ads Anonymous

WASHINGTON — Campaign watchdog groups and government regulators are concerned about the emergence of mysterious organizations that paid for a flurry of attack ads at the end the 1996 election and could play an even larger role in coming campaigns.

The groups, with such bland names as Citizens for Reform and the Republic Education Fund, spent millions of dollars on television advertising, mailings and telephone banks in the closing weeks of the campaign, mostly on the side of the Republicans. None of their activities were reported to the Federal Election Commission.

"The public has no idea who these people are or where they're coming from or who funds them," said Charles Lewis, executive director of the Center for Public Integrity, which monitors political ethics. "They are trying to influence the political process and the public is in the dark." *(WP)*

Quote/Unquote

President Bill Clinton, responding to a question at his news conference asking what he could do about the threat to unity caused by the belief of many Americans that the United Nations is taking over large parts of the country and threatening American sovereignty: "I don't know, because the people who believe that think I'm the problem." *(AP)*

AMERICAN TOPICS

Endangered: Sierra's Bighorns

Bighorn sheep, once abundant in California's Sierra Nevada, with more than a dozen big herds roaming the range's steep and rocky eastern slope, are on the brink of elimination there. As of last summer, only 150 of the sturdy animals were left.

Their chief scourge: an enlarged mountain lion population. State bounties on mountain lions were ended in the 1960s, and a 1990 ballot initiative made it illegal to kill them except in extreme situations. Even some humans have come under attack as the lions move lower in search of food.

Bighorn sheep had suffered before at the hands of predators. A restaurant menu from an 1800s Sierra mining camp listed bighorn as a dinner item, the Los Angeles Times recounts. Diseases transmitted by domestic sheep were even more devastating.

But before the rise of mountain lions, a state program to establish new herds had been largely successful, bringing the total number of bighorns to 310.

Short Takes

Boston, a city rich in history, has come under sharp criticism for failing to properly preserve and showcase its archives. Letters by John Hancock, that flamboyant signer of the Declaration of Independence, linger in dingy and inadequate storage sites along with minutes from the first Boston Town Council meetings, held in 1630. "For a city this size and with its history, this is shocking," said Megan Sniffin-Marinoff, a library expert. She is part of a mayoral committee appointed in 1989 after neglected city records — including original 19th century Boston street maps and letters from Paul Revere, he of the famous Midnight Ride — were found in school basements and agency closets. An elementary school building was since pressed into service, a slight improvement. But archive advocates want a proper, climate-controlled site, perhaps along the city's Freedom Trail. "What exists in the archives not only tells the story of Boston, but of America," said the city clerk, Rosaria Salerno, who oversees the archives. "Nothing would be more appropriate than putting these treasures in a place of honor."

Francis Gary Powers Jr., son of the U.S. pilot whose spy plane was shot down over the Soviet Union in 1960, sparking a superpower crisis, is trying to establish a permanent museum to the Cold War. The younger Powers has mounted an exhibit, now showing at CIA headquarters in Langley, Virginia, of his father's mementos and spy memorabilia. This, he said, could provide the core for a museum to include exhibits on the Cuban missile crisis, the space race and the Berlin Wall.

The older Powers was taking pictures of Soviet missile installations when his U-2 plane was downed on May 1, 1960. The resultant crisis caused the cancellation of a U.S.-Soviet summit meeting. Powers, who was freed two years later in an exchange for the Soviet spy Rudolf Abel, died in 1977 when a helicopter he was flying crashed.

How much difference does a good university make? A huge one, according to a newly completed survey by BankBoston, which studied the worldwide impact of graduates of the Massachusetts Institute of Technology. As of 1994, the study found, MIT graduates or faculty had founded 4,000 companies, which employed 1.1 million people and generated $232 billion in world sales. If the MIT-related companies were a separate nation, the bank report said, its national economy would rank 24th in the world.

International Herald Tribune

Away From Politics

• **The rap singer Notorious B.I.G.** was gunned down as he left a party in Los Angeles, becoming the second high-profile gangsta rap artist slain in the last six months. The rapper, whose real name was Christopher Wallace, 24, was attending a party at the Petersen Automotive Museum in celebration of the 11th Annual Soul Train Music Awards. In September, the rapper Tupac Shakur was shot in a drive-by attack in Las Vegas. *(AP)*

• **The number of fake bomb threats** has soared over the last year in Atlanta, which also has been hit by four bomb blasts that included the deadly attack in Olympic Park during the 1996 Summer Games. The police recorded 17 phony bomb threats in January 1996, and 11 in February. This year, there were 53 in January and 59 in February, the police said. *(AP)*

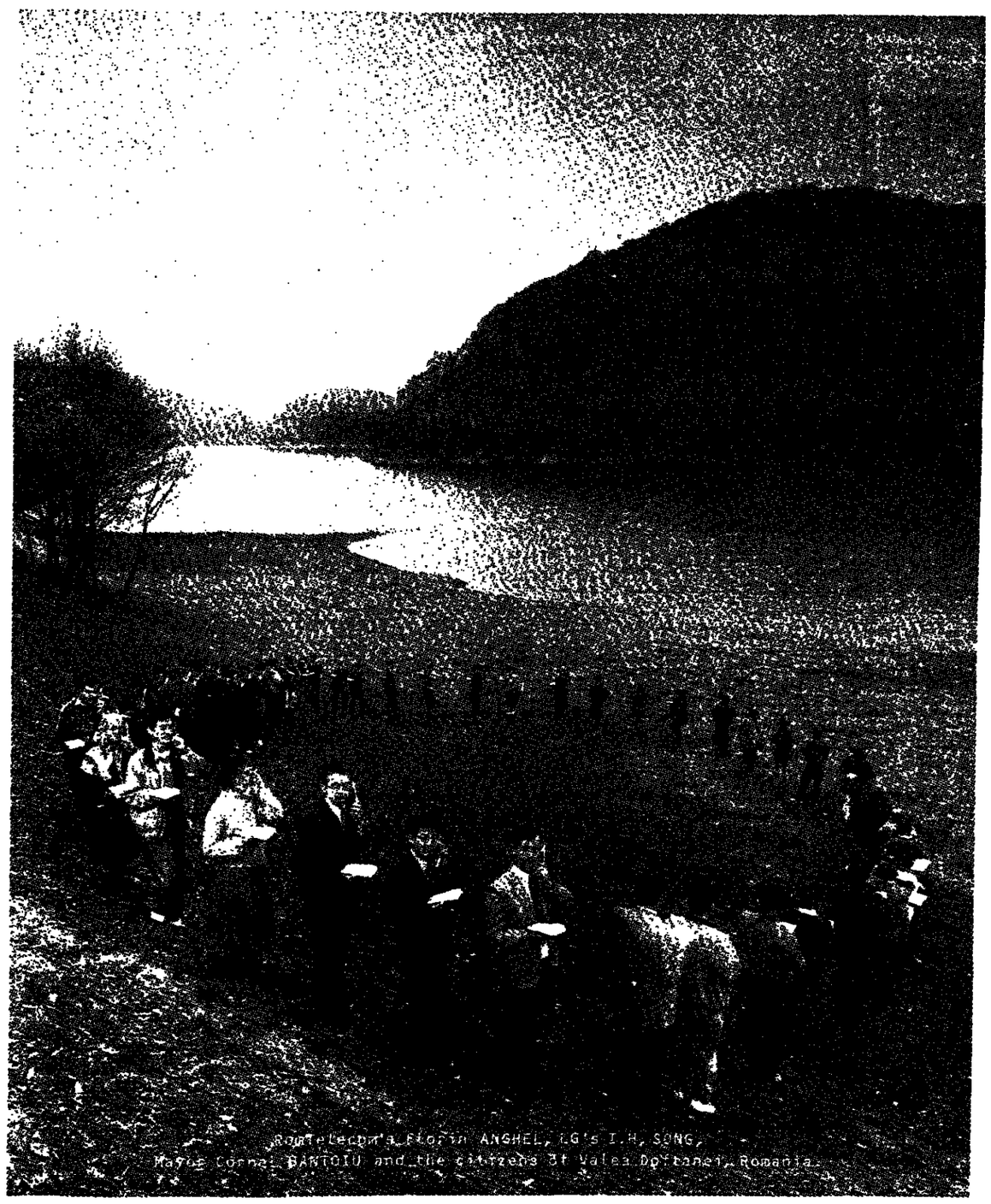
• **A British babysitter who worked** for a Massachusetts couple has pleaded not guilty to first-degree murder charges in Cambridge in the death of a 9-month boy in her care last month. An autopsy showed that the infant, Matthew Eappen of Newton, Massachusetts, had died of a two-inch fracture to the back of his head, probably caused by being thrown or struck. The prosecutors also said that the nanny, Louise Woodward, 19, had shaken the baby until his brain hemorrhaged. *(AP)*

• **A former employee of Outlaw Biker magazine** was awarded $19,000 by a jury that found that the owner-publisher had sexually harassed her. Teresa Ortiz, 36, said she was pinched, fondled, hugged and kissed against her wishes by Casey Exton, the publisher, whose real name is Harvey Shapiro. Exton, of Cherry Hill, New Jersey, called the sexual harassment charges an attempt at extortion, though he freely acknowledged that "slang, sexuality, profanity and partying are rampant" in his offices. *(AP)*

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ASIA/PACIFIC

China Offers a Reward For Beijing Bombers

Uighur Nationalists Take Responsibility

Reuters

BEIJING — China said Sunday that "criminal elements" were responsible for a bomb that exploded on bus during rush hour on a Beijing street, and offered a reward for help in solving the case.

Exiled Uighur separatists took responsibility for the blast, and vowed to carry out more attacks until they had gained "complete freedom" for the far western region of Xinjiang.

Local Beijing newspapers said in a brief but prominent announcement that "criminal elements had used a homemade explosive device" in the attack Friday.

The bomb went off on a No. 22 bus in Beijing's western Xidan district during the evening rush hour. China's state-controlled new media reported that no one died in the bombing, but sources said it killed at least two people and wounded 30.

The semiofficial China News Service quoted Mayor Jia Qingling as saying that another smaller bomb went off earlier last week elsewhere in the Chinese capital and that no one was hurt in the incident.

The Beijing blasts followed a string of bus bombings in Urumqi, capital of the restive Muslim region of Xinjiang.

Exiled ethnic Uighurs, who want to set up an independent state of "East Turkestan" in Xinjiang, took responsibility for those attacks, which killed nine people and wounded 74.

Taiwan's state-run Central News Agency, in a report quoting the Turkey-based Organization for Turkestan Freedom, said the bus explosion was "the only way for the Xinjiang Uighur people to take revenge against Communist China's oppression."

Uighur nationalists, encouraged by the autonomy of the Asian republics of the former Soviet Union, are resisting attempts by Beijing to dilute Uighur influence by flooding Xinjiang with Han Chinese, the country's dominant people.

Over the last year, sporadic rioting by separatist-minded Muslims has been reported in the region.

China's national media have ignored the bombings in Beijing and Xinjiang.

On Sunday, however, local Beijing newspapers published a police notice calling on the public, and passengers on the No. 22 bus in particular, to come forward with any information that could aid the investigation.

"Those who provide important information will be given a substantial reward," the notice said.

The police were unwilling to go beyond the brief official statements. "We cannot offer any details of progress in the case," an official said.

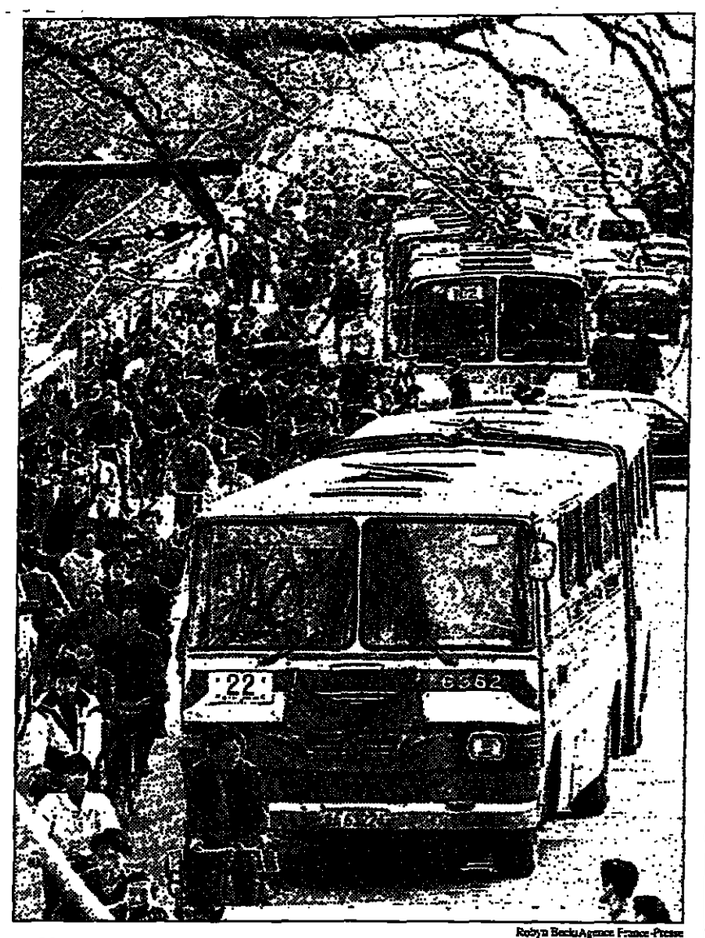
The news reports made no mention of a motive.

Three bombs blew up within minutes of each other on Feb. 25 in Urumqi in attacks apparently timed to coincide with memorial rites in Beijing for Deng Xiaoping, China's paramount leader, who died Feb. 19.

Taxi drivers in Beijing said their employers warned them last week not to give rides to any suspicious-looking people from Xinjiang and to be especially cautious in areas where many Uighur migrants live.

Other sources said that a bomb warning had been telephoned to the Beijing police before the explosion, but added that the caller had named another area in the capital.

The Beijing bus that was bombed Friday snakes its way through the Xidan shopping district, then passes the Zhongnanhai compound of China's ruling elite and Tiananmen Square, both of them symbols of Communist rule.



Robyn Beck/Agence France-Presse

A No. 22 bus making its way through the crowded Xidan market neighborhood in Beijing, where a similar bus was bombed on Friday.

BRIEFLY

Korean Labor Group Faults Revised Bill

SEOUL — South Korea's outlawed union organization on Sunday denounced a new version of a labor law that is scheduled to be submitted to Parliament on Monday, and vowed further industrial action if it were passed.

The Korean Confederation of Trade Unions said it would fight the law's passage, even though the revised bill would delay for two years a clause that allows companies to lay off workers, a provision that sparked worker fury.

"There's not much difference between the original bill and the new one," said a senior confederation official Chung Sung-hee. "We will launch campaigns to disobey clauses that we think are inappropriate. And we will continue labor action until Parliament comes up with a more acceptable bill." *(Reuters)*

UN Seeks Action On 'Boat People'

HONG KONG — The head of the United Nations refugee agency called Sunday for the resettlement of Vietnamese "boat people" to be speeded up.

"I think we have to accelerate resettlement for those refugees that have been screened, and this is an appeal I will make to donors," said Sadako Ogata after a visit to Hong Kong's Pillar Point refugee camp.

Ms. Ogata said living conditions of the Vietnamese refuges in Hong Kong camps were not as bad, however, as those of displaced people in other parts of the world.

"I've seen camps all over the world, many, many camps, and I think it is not bad here," she said. "People are free to earn money, which is an enormous advantage."

Ms. Ogata arrived in Hong Kong on Sunday for a three-day mission to assess the plight of the territory's Vietnamese refugees. *(Reuters)*

Cease-Fire Extended By Philippines Again

MANILA — The Philippines has extended for another 30 days a unilateral cease-fire with rebels to help peace talks that are due to resume this week in the Netherlands, the government said Sunday.

Defense Secretary Renato de Villa said the extension was part of "confidence-building measures" to help ensure the success of the talks between the government and the communist-led National Democratic Front. The negotiations are aimed at ending a 28-year insurgency.

Manila first declared a 60-day cease-fire in December and extended it for an additional 30 days last month. *(Reuters)*

Jailed Labor Chief In Jakarta Hospital

JAKARTA — Muchtar Pakpahan, the jailed chief of the Indonesian Labor Welfare Union who is on trial for subversion, has been admitted to a private hospital in Jakarta, family members and a union official said Sunday.

"He has been admitted to the Cikini hospital in a serious condition," an official from the unrecognized union said. Family members confirmed that Mr. Pakpahan had been admitted on Saturday, suffering from vertigo. *(Reuters)*

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INTERNATIONAL

Abductions Tied to Mexican Drug War

Many Seem to Be Innocent Victims of Military's Narcotics Operations

By Julia Preston
New York Times Service

MEXICO CITY — The owner of a department store in the provincial capital of Culiacan was driving to work one morning last September when three unmarked sedans without license plates surrounded his car.

As passers-by watched in terror, four men with assault rifles hauled the man, Romulo Rico Urrea, from his car, forced him into one of theirs and sped away.

Mr. Rico has not been seen since Sept. 25, 1996. But a notebook dropped in his car by one of the kidnappers, as well as evidence gathered by military investigators, links the abduction to General Jesus Gutierrez Rebollo, the former head of Mexico's anti-drug agency, who was arrested last month on charges of collaborating with one of the country's powerful cocaine barons.

Mr. Rico is one of at least 51 Mexicans who have disappeared in the last three years after kidnappings in which there were signs of government security force involvement, according to lists compiled by relatives, human rights organizations and the press. Now, evidence is emerging to tie many of these abductions to the war against powerful drug traffickers, which has increasingly been under the command of Mexico's military.

"We are everyday citizens under attack, caught in the crossfire between narcos, authorities and narco-authorities," said Lucia Solis de Jurado, whose husband, a semiprecious-stone trader from the border city of Ciudad Juarez, was seized on the front step of his home on Oct. 6, 1996. "It has gotten to the point where it can happen to anyone."

Most of the victims have no proven ties to drug traffickers or other criminal activities, relatives and human-rights leaders contend, although a number have had brushes with the authorities.

"They tend to be businessmen, students and other citizens who were going about their lives," said Oscar Loza of the Commission for the Defense of Human Rights in the state of Sinaloa, where at least nine people have disappeared.

Mexico's military has traditionally played a supporting role in the drug trafficking fight, mainly eradicating crops. Shortly after he took office in 1994, President Ernesto Zedillo, facing widespread corruption in the state and federal police, began to place military officers and troops in key positions in the battle against the drug cartels.

General Gutierrez was named Mexico's chief anti-drug official in December 1996, and army officers were given command of state and municipal police forces in Sinaloa. Last week, the army took over narcotics operations in the border state of Baja California.

Since the arrest of General Gutierrez, a number of families of missing Mexicans have come forward after months and even years of silence. The number of known victims is growing.

There is evidence that in addition to Mr. Rico, five men who disappeared since last September in northern Mexico were abducted in operations commanded by General Gutierrez and carried out by his deputies during his two-month tenure as head of the national drug agency or before that, when he was the senior commander of the Fifth Military Region in central Mexico.

The abductions in which General Gutierrez appears to have had a role are only a fraction of those reported. The general's lawyers did not respond to requests for comment.

The disclosures about the kidnappings raise new questions about General Gutierrez's ascent to the highest position in Mexico's war on drugs, and about Mr. Zedillo's moves to expand the role of the armed forces in the anti-narcotics campaign.

Several months before, Defense Minister Enrique Cervantes Aguirre recommended General Gutierrez to the president for the top anti-drug job, the Mexican military had substantial evidence implicating the general's two closest aides in the kidnapping of Mr. Rico. Both aides were arrested with their commander on drug charges on Feb. 18.

> **'We are citizens caught in the crossfire between narcos, authorities and narco-authorities.'**

The kidnapping allegations apparently never reached the highest levels. Mr. Cervantes acknowledged that neither he nor Mr. Zedillo had had any doubts about General Gutierrez until about two weeks before his arrest.

Mr. Rico's relatives believe he came under suspicion of drug trafficking because Miguel Angel Rico Urrea, his brother, was falsely accused on drug charges in 1992 and served prison time before he was cleared. A judge ordered his release, but the day he was to leave prison he was murdered.

On Sept. 16, 1996, soldiers in Culiacan swarmed into the home of Enrique Rico, another brother. The raid, conducted without a warrant, was led by a brash officer who identified himself with a name that later proved to be false. Romulo Rico was seized nine days later. At first, federal agents told his relatives he was in custody at their headquarters. A day later the same agents denied that they had ever seen him, relatives said.

In recent days, a half-dozen northern Mexican families, with nine disappeared relatives among them, have held meetings in the cramped Mexico City apartment where Romulo Rico's wife and children have taken refuge. They found one another through human-rights organizations they had approached after General Gutierrez's arrest.

Human-rights activists who helped them have received death threats, apparently to stop their publicizing disappearance cases.

Mrs. Jurado and her family have become outraged about the official response to their search for her husband, Ruben Guillermo Jurado, 39. A senior official of Chihuahua state, where the Jurados live, confirmed that Mr. Jurado had been seized by armed men wearing federal drug police uniforms.

Nevertheless the official, who insisted on anonymity, said investigators believed Mr. Jurado might have been kidnapped by traffickers, because of "narcotics-related wrapping materials" in his home. The Jurados say the police never searched his residence or workshop.

BRIEFLY

Abidjan Bans Trade In Ivory Products

ABIDJAN, Ivory Coast — Ivory Coast has decided to ban trade in the product that gave the West African country its name in order to protect the elephant.

President Henri Konan-Bedie signed a decree banning trade in ivory, strictly regulating its importation and exportation and ordering the nationwide collection and itemizing of ivory products.

Ivory Coast signed the Convention on International Trade in Endangered Species, but ivory products are freely sold in many markets across the country.

The country's elephant population has over recent decades been drastically reduced by hunting, poaching and deforestation, and now numbers around 2,000. *(AFP)*

Chirac Praises Ties With Latin America

PARIS — President Jacques Chirac of France said Sunday on the eve of a tour of Latin America that the continent's economic future lay not in ties with with United States but with Europe.

"Latin America understands perfectly that it is not in its interest to lock itself into exclusive regional integration," Mr. Chirac said in a radio interview.

He pointed out that the European Union was the main trading partner, the biggest investor and the most generous development-aid donor for Argentina, Brazil, Paraguay and Uruguay, the four members of the Mercosur customs union. He plans to visit those countries starting Tuesday, as well as Bolivia. *(Reuters)*

U.S. Drug Agents Arrest Haitian

MIAMI — Lieutenant Colonel Joseph Michel Francois, the exiled police chief of Haiti's capital, has been arrested by U.S. drug enforcement agents in Honduras and charged with importing 33 tons of cocaine and heroin to the United States.

Colonel Francois, who was the No. 3 man in the military government that ran Haiti from 1991 to 1994, used the military and political institutions, airports and seaports of Haiti to run a drug trafficking network for Colombian cartels for nine years, the indictment says. For his part in the plot, he received millions of dollars in U.S. currency, federal officials charge.

Colonel Francois led the 1991 coup that toppled Haiti's elected president, Jean-Bertrand Aristide, then turned over the reins of government to Lieutenant General Raoul Cedras. *(WP)*

Singapore Soldiers Killed in Accident

WELLINGTON — Two Singaporean soldiers were killed, and 12 soldiers were wounded Sunday when an artillery shell exploded prematurely during a training exercise in New Zealand, an army spokesman said.

It was the second fatal accident in just over two weeks involving Singaporean soldiers training in New Zealand. One of the wounded was a New Zealander. *(Reuters)*

EUROPE

EU Leaders Back Dash To Finish Reform Talks

By Tom Buerkle
International Herald Tribune

BRUSSELS — European Union leaders have decided to make a concerted push to revive the year-old intergovernmental conference on EU reform to agree on changes in the Union's governing treaties and institutions by June.

The strategy, outlined at a meeting of Christian Democratic leaders here last week that included Chancellor Helmut Kohl of Germany, reflects a willingness among many European leaders to accept modest reforms rather than prolong negotiations and risk interfering with monetary union and other impending events.

The new drive is led by Germany and France, which continue to place top priority on the plan for monetary union in 1999 and are making feverish efforts to meet the economic criteria for it by the year-end, senior European officials said.

"I don't think any heads of government would risk a crisis over the conference because of the potential impact on the single currency," a national negotiator said.

In addition, France is eager to prevent EU reform from becoming an issue in parliamentary elections scheduled for about a year from now, officials said.

The difficulty of achieving a consensus on reform proposals in the past year of talks and a growing perception that Tony Blair would prove only slightly more friendly to EU integration than John Major if he became prime minister of Britain in elections due by May also argue for cutting a deal in June rather than delaying, EU officials said.

The pragmatic line is reflected clearly by the Dutch government, which in January emphasized the need for ambitious reform but now puts increasing weight on finishing the talks by the target dates of June 16-17, when EU leaders are to hold a summit meeting in Amsterdam.

"Once you let it slip," a Dutch official said, "the fear is that we will not be able to let it slip just three months. What will change in the meantime? Nothing."

Outlines of the reform package have come into clearer focus in recent weeks, led by greater cooperation among EU countries in the areas on law enforcement and internal affairs and the introduction of a "flexibility" principle that would allow some countries to adopt common policies without being held back by their more reluctant partners.

Mr. Kohl has made it clear that German ratification of the reforms would require measures to enhance internal security, including closer cooperation to fight international crime and cope with immigration. President Jacques Chirac of France, who last year angered EU partners by delaying plans to lift border controls, has signaled in recent weeks a willingness to cooperate in those areas.

Dutch officials say they have overcome British hesitation about security issues by proposing to exclude Britain and Ireland from a border-free zone of Continental EU members.

The package still faces significant hurdles. EU officials say that despite the political push for closer judicial and police cooperation, many countries, led by France, remain ambivalent about how to organize it, including the role of such EU institutions as the European Commission and the European Court of Justice. Still, negotiators have begun final talks on such vital issues as voting weights and national representation in EU institutions.

"The real negotiations have just begun," said Jacques Santer, the commission's president. He and other top Christian Democrats agreed last week to meet May 21 and June 10, ahead of the summit meeting, to try to conclude talks.

"We're convinced that we will be able to come to a satisfactory conclusion at Amsterdam," Wilfried Martens, the Christian Democratic group chairman, said.

The EU This Week:

International Herald Tribune

Significant events in the European Union this week:

- National negotiators to the intergovernmental conference on EU reform meet in Brussels on Monday and Tuesday to consider French-German proposals for strengthening the bloc's voice in foreign affairs, including closer links with the Western European Union, the fledgling EU defense organization.
- The European Parliament plans to debate Renault's closure of its plant in Vilvoorde, Belgium, at its plenary session in Strasbourg on Tuesday.
- The European Commission is expected to debate proposals for adopting EU-wide limits on ownership of newspapers, radio and television stations and other media at its weekly meeting in Strasbourg on Wednesday.
- EU foreign ministers review enlargement and relations with Turkey at their semiannual informal meeting in Apeldoorn, the Netherlands, on Saturday and Sunday.



Michael Urban/Reuters

COAL STRIKE — German miners meeting near Gelsenkirchen on Sunday. Oskar Lafontaine, the Social Democratic leader, called off talks on tax reform with the government to protest cuts in coal subsidies.

Ireland Renews Debate on Abortion

By James F. Clarity
New York Times Service

DUBLIN — A new national debate about abortion has broken out in this overwhelmingly Roman Catholic country, where abortions may be legal only in cases where a woman's life is endangered by a pregnancy.

The debate, stimulated by a published report that an illegal abortion had been performed in Dublin two years ago, has prompted widespread calls for a new national referendum on the issue and for legislation to redefine legal and illegal abortion. Current law, set by a Supreme Court decision in 1992, allows for abortion only in cases in which a pregnant woman's life is threatened, but not where her health is endangered, nor in cases of rape or incest.

The abortion issue, which divided the country five years ago during a referendum campaign, now appears likely to do the same during the campaign before national parliamentary elections, which must be held by next January but are expected sooner, probably in June.

The debate was revived after The Irish Times reported Feb. 28 that a woman who said she had had an illegal abortion at a Dublin family planning clinic was now charging the clinic with a crime.

After medical complications developed, the report said, she decided to go to the police. The Dublin police have confirmed that they arrested and questioned one of the clinic's doctors, and that a file has been forwarded to the Department of Public Prosecutions for possible action. The identities of the woman and the doctor have not been disclosed, and there were no further details.

The case has prompted calls from anti-abortion groups, like the Pro-Life Campaign, the country's principal group, for a national referendum calling for a categorical constitutional ban on abortion.

Opposition political leaders have also called for a referendum, or for legislation to redefine legal and illegal abortion.

Prime Minister John Bruton said he had no intention of introducing a referendum or abortion legislation this year. Mr. Bruton's justice minister, Nora Owen, said: "I don't believe we need another referendum, and I don't think the government thinks we need another referendum. I would hope there would not be a rerun of the kind of intemperate debate we've had over the last number of years."

But John O'Donoghue, the spokesman on justice for the chief opposition party, Fianna Fail, said the issue was "in the center stage of Irish life again."

The Fianna Fail leader, Bertie Ahern, who is campaigning to replace Mr. Bruton as prime minister, confirmed that the party was discussing a new referendum.

The abortion issue last raged in Ireland in 1992, after a 14-year-old girl said she had been made pregnant by the father of a friend. At first, the government forbade her to have an abortion in Britain. Later, the Supreme Court in Dublin ruled in her favor, and she went to Britain and had the procedure.

In November 1992, voters approved government-proposed constitutional changes that gave women the right to travel abroad for abortions. At least 5,000 Irish women go to Britain each year for abortions. The voters also approved the right to distribute information about abortion and foreign abortion clinics.

But the voters rejected a change in the constitution that would have confirmed the earlier Supreme Court decision, which made abortion legal if the woman's life was threatened. Anti-abortion groups and the Catholic hierarchy said the proposal went too far. Women's groups in favor of liberalization said it did not go far enough.

BRIEFLY

Belgrade Rally Marks Riot Date

BELGRADE — Serbian opposition supporters held a huge rally in Belgrade on Sunday to commemorate the anniversary of pro-democracy riots six years ago.

"A lot has happened in these six years, but one thing remains the same: Serbia is still at a crossroads — either we opt for progress or continued life with those we've been saddled with for the past 50 years," Zoran Djindjic, an opposition leader and Belgrade mayor, told about 30,000 supporters.

Mr. Djindjic, Vuk Draskovic and Vesna Pesic led the Zajedno coalition campaign for three months of daily protests against election fraud in the biggest challenge yet to President Slobodan Milosevic's rule. *(Reuters)*

Franco Ignored U.S. Gold Request

MADRID — Franco ignored a U.S. request seven months before the end of World War II to help locate gold stolen by the Nazis, the daily El Pais reported on Sunday.

Citing documents found in the Foreign Affairs Ministry, El Pais said the United States sent Spain a letter in November 1944 asking for its cooperation in locating the plundered gold.

But for reasons given only as "political circumstances," the letter was ignored. This, wrote El Pais, "shows once again that the dictator's government was betting on the possibility of a Nazi victory." *(AP)*

NATO Chief Starts Central Asia Tour

ALMATY, Kazakstan — NATO' secretary-general, Javier Solana Madariaga, on a diplomatic blitz ahead of the alliance's plans to expand eastward this summer, is starting a tour of former Soviet republics in Central Asia on Monday.

His weeklong tour of Kazakstan, Kyrgyzstan, Uzbekistan and Turkmenistan will start in Almaty after a brief visit to Moscow on Sunday.

Officials said Mr. Solana would discuss the involvement of the four republics in NATO's "Partnership for Peace" program, which plans 10 days of joint peacekeeping exercises in September in Kazakstan and Uzbekistan. *(Reuters)*

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Wiesbaden — Colombi Hotel
Freiburg — Hotel Vier Jahreszeiten
Hamburg — Kempinski Hotel Atlantic Hamburg
Heidelberg — Der Europäische Hof - Hotel Europa
Leipzig — Kempinski Hotel Fürstenhof Leipzig
Munich — Bayerischer Hof; Hotel Rafael; Kempinski Hotel Vier Jahreszeiten München

Greece
Athens — Hotel Grande Bretagne
Crete — Elounda Beach Hotel and Villas

Holland
Amsterdam — Hotel de l'Europe; Hotel Okura

Hungary
Budapest — Kempinski Hotel Corvinus Budapest

Ireland
Dublin — Berkeley Court Hotel; Westbury Hotel

Italy
Bologna — Grand Hotel Baglioni
Capri — Grand Hotel Quisisana
Cernobbio, Lake Como — Villa d'Este Grand Hotel & Sporting Club
Florence/Fiesole — Hotel Villa San Michele
Florence — Grand Hotel; Grand Hotel Villa Medici; Hotel Regency
Ischia — Grand Hotel Punta Molino Terme
Milan — Excelsior Hotel Gallia; Grand Hotel et de Milan; Hotel Palace; Hotel Principe di Savoia
Montecatini Terme — Grand Hotel & La Pace
Naples — Grand Hotel Vesuvio
Portofino — Hotel Splendido
Portofino/Santa Margherita Ligure — Grand Hotel Miramare
Positano — Le Sirenuse
Rome — Aldrovandi Palace Hotel; Hotel Eden; Hotel Hassler Villa Medici; Hotel Lord Byron; Le Grand Hotel
San Remo — Royal Hotel
Sardinia, Costa Smeralda — Hotel Cala di Volpe; Hotel Romazzino
Venice — Pitrizza; Bauer Grünwald; Hotel Cipriani & Palazzo Vendramin
Venice Lido — Hotel Excelsior
Verona — Due Torri Hotel Baglioni

Luxembourg
Luxembourg City — Hotel Le Royal

Monaco
Monte Carlo — Hôtel de Paris

Norway
Oslo — Hotel Continental

Poland
Warsaw — Hotel Bristol

Portugal
Algarve, Armação de Pera — Hotel Vila Vita Parc
Algarve, Quinta do Lago — Hotel Quinta do Lago
Lisbon — Hotel da Lapa
Lisbon/Estoril — Hotel Palácio
Lisbon/Sintra — Caesar Park Penha Longa Golf & Resort
Madeira, Funchal — Reid's Hotel

Russia
Moscow — Kempinski Hotel Baltschug Moskau
St. Petersburg — Grand Hotel Europe

Scotland
Auchterarder — Gleneagles
Edinburgh — The Caledonian
Turnberry — Turnberry Hotel Golf Courses and Spa

Spain
Barcelona — Ritz Palace; Rey Juan Carlos I
Estepona — Las Dunas Beach Hotel and Spa
Granada/Loja — Hotel La Bobadilla
Madrid — Hotel Ritz; Palace Hotel
Malaga/Miles Mallorca — Hotel Byblos Andaluz; Hotel Son Vida
Marbella — Hotel Puente Romano; Marbella Club Hotel
S'Agaro, Costa Brava — Hostal de la Gavina
San Sebastián — Hotel Maria Cristina
Santander — Hotel Real
Seville — Hotel Alfonso XIII
Seville/Sanlucar la Mayor — Hotel Hacienda Benazuza

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Stockholm — Grand Hôtel

Switzerland
Bad Ragaz — Grand Hotel Quellenhof
Basel — Hotel Drei Könige am Rhein
Berne — Gauer Hotel Schweizerhof
Bürgenstock — Hotel Bellevue Palace
Geneva — Park Hotel; Hotel des Bergues; Hotel du Rhône; Le Richemond
Grindelwald — Grand Hotel Regina
Gstaad — Gstaad Palace Hotel
Interlaken — Victoria Jungfrau Grand Hotel
Kandersteg — Royal Hotel Bellevue
Lausanne — Beau-Rivage Palace; Lausanne Palace
Lucerne — Palace Hotel Luzern
Lugano — Splendide Royal
Mont-Pelerin — Le Mirador Resort and Spa
Montreux — Le Montreux Palace
St. Moritz — Badrutt's Palace Hotel
Zermatt — Seiler Hotel Mont Cervin and Residence; Seiler Hotel Monte Rosa
Zurich — Baur au Lac; Dolder Grand Hotel

Turkey
Istanbul — The Bosphorus; Çiragan Palace Hotel Kempinski Istanbul

Egypt
Cairo — The Mena House Oberoi; Hotel & Casino

Israel
Jerusalem — King David Hotel
Tel Aviv — Dan Tel Aviv

Syria
Aleppo — Chahba Cham Palace
Damascus — Cham Palace; Ebla Cham Palace

United Arab Emirates
Abu Dhabi — Beach Hotel
Dubai — Jebel Ali Hotel; The Royal Abyar Hotel

Kenya
Mombasa — Serena Beach Hotel
Nairobi — Nairobi Serena Hotel; The Norfolk Hotel
Nanyuki — The Mount Kenya Safari Club

Mauritius
Grand Baie — Royal Palm

Morocco
Marrakech — La Mamounia

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Durban — The Royal

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Harare — Meikles

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Sydney — The Observatory Hotel; The Sebel at Sydney

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Kowloon — The Peninsula; The Royal Garden

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Goa — Taj Bengal; The Leela Beach Goa
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Madras — Taj Coromandel Hotel
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Jakarta — Mandarin Oriental
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Nagasaki — Hotel Europe
Osaka — Hotel New Otani; The Imperial; The Plaza; The Westin Osaka
Tokyo — Dai-ichi Hotel Tokyo; Four Seasons Hotel, Chinzan-so; Hotel Okura; Imperial Hotel

Korea
Seoul — The Shilla Seoul

Macau
Macau — Hotel Beia Vista; Mandarin Oriental

Malaysia
Kuala Lumpur — Hotel Istana
Langkawi — Pelangi Beach Resort
Penang — Penang Mutiara Beach Resort

Pakistan
Karachi — Pearl Continental Hotel

People's Republic of China
Beijing — Grand Hotel; Kempinski Hotel Beijing Lufthansa Center; The Palace Hotel
Guangzhou (Canton) — White Swan Hotel
Shanghai — Garden Hotel Shanghai; Shanghai JC Mandarin; The Westin Tai Ping Yang

Philippines
Manila — Mandarin Oriental; The Peninsula

Singapore
Singapore City — The Mandarin; Marina Mandarin; The Oriental

Taiwan
Taipei — The Ritz Hotel; The Sherwood

Thailand
Bangkok — The Dusit Thani; The Oriental
Cha-Am/Hua Hin — Dusit Resort and Polo Club
Krabi — Dusit Rayavadee Resort Hotel
Phuket — Dusit Laguna Resort Hotel; Phuket Yacht Club
Surat Thani/Koh Samui — Baan Taling Ngam Mandarin Oriental Samui Dusit Resort

Canada
Montreal — Ritz-Carlton Kempinski Montreal
Toronto — King Edward Hotel
Vancouver — The Pan Pacific Hotel

Mexico
Acapulco — Acapulco Princess; Las Brisas
Cancún — Caesar Park Cancún Beach & Golf Resort; Fiesta Americana Condesa; The Ritz-Carlton
Manzanillo — Las Hadas Resort
Mexico City — Camino Real; Hotel Marques Reforma

United States of America
Arizona
Scottsdale — The Phoenician; Scottsdale Princess
California
Bel-Air — Hotel Bel-Air
Beverly Hills — The Beverly Hills Hotel; The Peninsula; The Regent Beverly Wilshire
Carlsbad — La Costa Resort and Spa
Laguna Niguel — The Ritz-Carlton
Los Angeles — The Ritz-Carlton, Marina del Rey
Palm Springs — Givenchy Hotel & Spa
San Francisco — Mandarin Oriental; The Pan Pacific Hotel; The Ritz-Carlton
Santa Monica — Shutters on the Beach
District of Columbia
Washington, D.C. — The Carlton; The Ritz-Carlton; The Watergate Hotel
Florida
Aventura, N. Miami/Fisher Island — Turnberry Isle Resort & Club; The Fisher Island Club
Naples — The Ritz-Carlton
Palm Beach — The Breakers
Georgia
Atlanta — The Ritz-Carlton, Buckhead
Hawaii
Honolulu, Oahu — Halekulani; Kahala Mandarin Oriental Hawaii
Kapalei, West Oahu — Ihilani Resort & Spa
Kohala Coast, Hawaii — The Orchid at Mauna Lani
Wailea, Maui — Grand Wailea Resort Hotel & Spa
Louisiana
New Orleans — Windsor Court Hotel
Massachusetts
Boston — The Ritz-Carlton
New York
New York — The Helmsley Park Lane Hotel; Hotel Plaza Athénée; Hotel Westbury; The Mark; The New York Palace; The Peninsula; The Pierre; The Ritz-Carlton; The St. Regis; The Waldorf Towers
West Virginia
White Sulphur Springs — The Greenbrier

Argentina
Buenos Aires — Alvear Palace Hotel; Caesar Park
Brazil
Ilhéus, Bahia — Hotel Transamérica
Rio de Janeiro — Caesar Park Hotel Ipanema; Copacabana Palace Hotel
São Paulo — Caesar Park; The Maksoud Plaza
Chile
Santiago — Hotel Carrera
Colombia
Bogotá — Hotel Bogotá Royal
Costa Rica
San José — Camino Real
Ecuador
Guayaquil — Hotel Oro Verde
Quito — Hotel Oro Verde
Peru
Lima — Hotel Oro Verde
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Caracas — Eurobuilding Hotel & Suites
Bermuda
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Barbados
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Awaiting Fall of a Zairian City

Some Say Mobutu Would Be Forced to Sue for Peace

By Stephen Buckley
Washington Post Service

NAIROBI — If Kisangani, Zaire's third-largest city, falls to rebels in the next few days, as appears likely, Zaire's four and a half month uprising will probably be over.

For Kisangani, an economic hub in a strategic location, is also the base of the government's campaign to halt the onslaught of the rebels, who have corralled a 1,400-kilometer swath of territory since last October.

Some analysts say they fear that the conflict could split this already fractured country further, leading to years of political anarchy and creating a refugee crisis for the nine countries on the former Belgian colony's borders.

The rebels' taking of Kisangani could have huge repercussions in Kinshasa, the capital. Some political analysts predict that a government defeat in Kisangani would ignite a political brawl among those hoping to succeed the ailing President Mobutu Sese Seko.

"The regime would be completely destabilized," one senior diplomat said. "It's going to be chaos. People will be fighting each other to position themselves to take over."

Others predict that the rebels would slow their pace after the fall of Kisangani and wait for the government to negotiate with the alliance. Kinshasa has embraced a UN-sponsored cease-fire plan, but thus far has rejected direct talks with the rebels.

Analysts say the fall of Kisangani would give the government no choice.

"If Kisangani goes, the rebels don't need to go on to Kinshasa," said Andre Kapanga, chairman of the All North American Conference on Zaire, a body of Zairian intellectuals who live in the United States and Canada. "All they would have to do is wait until Mobutu decided to get serious about negotiations."

The government has concentrated most of its few hundred mercenaries around Kisangani, sent military aircraft on bombing missions from the city and stockpiled hundreds of tons of ammunition at its airport.

"If the rebels take Kisangani, the morale of the Zairian Army would be extremely low," Mr. Kapanga said. "If the base of their counteroffensive fails, where else would they resist the rebels?"

NEWS ANALYSIS

Kisangani, with 350,000 residents, holds a special place in the Zairian psyche.

It was founded in the late 1800s by the explorer-journalist Henry Morton Stanley, and it was called Stanleyville until the early 1970s. The city is believed to be the setting for V. S. Naipaul's novel "A Bend in the River."

Hemmed in by one of the world's thickest and most beautiful tropical forests, Kisangani is situated on the Zaire River near rapids that were once a tourist attraction.

Its location on the river and along a major rail line helped make Kisangani an economic beacon for decades. Its position at the middle of the continent — halfway between Cape Town and Cairo, halfway between the Atlantic and Indian oceans — also made it a commercial center.

And nothing has made Kisangani more economically important than the diamond and gold mines surrounding it.

The rebels, who have said they aim to capture Kinshasa, the capital, and overthrow Marshal Mobutu, began pushing toward Kisangani in December.

Since then, the insurgents, known as the Alliance of Democratic Forces for Liberation of the Congo (Zaire), have eased their way to the city by overwhelming several towns and withstanding numerous air strikes.

The city eagerly awaits them. In recent days, thousands of people have scrambled to escape government soldiers — known for ransacking cities and ravaging residents before leaving a lost battleground.

Kisangani has long been a center of anti-government views. In the 1950s, Patrice Lumumba forged a base for his anti-colonialist political party there before becoming Zaire's first post-independence prime minister.

In the mid-1960s, rebels established a revolutionary government in Kisangani that Marshal Mobutu eventually stomped out. And in the late 1960s, rebellious elements of the army, along with mercenaries, took over the city. Marshal Mobutu also ended that campaign.

Anti-Mobutu sentiment in Kisangani springs from the city's economic downfall. Once sprinkled with fine hotels and elegant houses, the city today is a symbol of government neglect.

"It used to be a jewel of a city," Mr. Kapanga said. "But now it's like the rest of Zaire. The people get no services. Everything is falling apart. When Zairians say they want change, it's because the people in power are not working for the common people."



Joel Robine/Agence France-Presse

PARIS MARCH — Demonstrators clogging a Paris street Sunday to protest the government's immigration law.

FRANCE: *The Task of Selling the Euro*

Continued from Page 1

sands of factory workers demonstrated at EU headquarters buildings in Brussels.

"What Renault has done in Belgium, you call that united Europe?" shouted one worker interviewed on French television. "Is this how we are going to compete against the Americans?"

Similarly, demands for national referendums on whether to convert to the euro are on the rise in France, Germany and elsewhere.

In France, the Communists and other leftist parties are circulating a petition asking for a national vote on the single currency. It has nearly 300,000 signatures, and at this pace will have 1 million in four months, said Pierre Blotin, a member of the Communist Party's national bureau.

"This is too serious for the people not to be consulted," Mr. Blotin said. "Our feeling is that the policy being put in place in the process toward the single currency is one of austerity, and people should be able to decide whether they want it."

Some people are looking forward to the advantages for which the euro is ostensibly being created: more commerce and greater efficiency.

"It's really a pain when the first thing you have to do on vacation is run to a bank and change your money," said a Berlin economics student, Stefan Schnapp, 27. "With the euro you can save yourself the trouble. Everyone is talking about a globalization of the economy. Why not a globalization of currency?"

The single currency actually will not be in citizens' hands until 2002, if the process goes as scheduled. Nor have the budget cuts enacted in most of the applicant nations made a significant dent in relatively generous European social-welfare systems.

But this is the year whose economic results will decide who gets to be in the club, and so far, only Luxembourg qualifies.

With unemployment high nearly everywhere citizens are beginning to fear the impact of budget cuts on their daily lives.

"The single currency risks becoming the scapegoat of everything that is going wrong in France," said Stephane Rozesa, a pollster of the Paris firm CSA. "If jobs and growth are not at the rendezvous with the euro, we could see some very strong opposition."

In Italy, where political and public support for the single currency is strong, Franco Ciaffi, a 52-year-old Rome grocer, noted that the government already has imposed a special new tax to reduce the budget deficit and that social-program cuts are in the offing.

"If all these sacrifices are going to end in something good, like the single currency, then O.K., let's do it," he said. "But what if all the sacrifices bring nothing? What if the government falls again and nothing happens at all?"

Governments are beginning to undertake education programs with an eye to overcoming such doubts. In Germany, 4 million brochures proclaiming that the euro will be "as strong as the mark" have been distributed. In Italy, pamphlets are also being circulated, and Prime Minister Romano Prodi has held explanatory news conferences after each new round of budget cuts.

In France, Mr. Barnier barnstorms one day a week, holding public meetings, touring factories and exhorting students.

From country to country, citizens' concerns about the new currency vary. The idea behind the economic requirements for entry, designed principally by Germany, is to ensure that the currency is backed by strong economies and thus is strong itself; Germans have a traditional fear of devaluation.

So, when Joachim Bretzel, a mail-room worker for the German chemical giant Schering, says the euro is "a horrible and stupid idea," it is because he fears it will be worth less than the mark and thus "cut my savings in half."

"The euro is going to ruin Germany," he said.

EU Chief Criticizes Paris Over Renault

Reuters

PARIS — The president of the European Commission, Jacques Santer, said Sunday that the French government could have intervened to prevent the automaker Renault from suddenly closing a big Belgian plant and laying off 3,100 workers.

Mr. Santer told a French television interviewer that the way the company had announced its decision dealt a serious blow to the spirit of European unity.

The conservative government, the principal shareholder in Renault, "could definitely have intervened," he said, through its representatives on the management board.

"The spirit of confidence that is the very basis of European construction, which aims to be not only a market but also a market based on a certain solidarity and on social cohesion, has definitely suffered a serious blow," Mr. Santer said.

"It is not within the spirit of European directives to not inform or consult workers to try and reach an agreement, even if on accompanying measures," he added.

Renault workers in several countries have protested the plans to close the Vilvoorde plant in Belgium.

The UN's African Refugee Dilemma

Since the 1994 massacres in Rwanda and the ensuing exodus of over 1.5 million Hutu refugees, the United Nations High Commission for Refugees has been the lead aid agency in the camps of Zaire and Tanzania. In recent months, the UNHCR has come under criticism from Amnesty International and others for condoning the expulsion of refugees from Tanzania and giving aid to armed Hutu killers within the refugee population. Dennis McNamara, director of international protection at the UNHCR, spoke with Robert Kroon for the International Herald Tribune in Geneva.

Q&A / **Dennis McNamara**

Q. In a recent survey of the refugee emergency in the Great Lakes region, Amnesty has accused UNHCR of violating its own rules by abetting the forced repatriation of Hutu refugees from Tanzania. Is there any basis for such accusations?

A. Inevitably, a lot of attention has been focused on the failure to protect refugees, who have been intimidated, coerced and abused on a scale we have never seen before. In the Great Lakes region, the UN-backed refugee protection regime has been tested beyond its limits since 1994. Criticism from Amnesty and others is simplistic, because they ignore many of the key factors.

Agencies like Amnesty have no experience with the reality of day-to-day field operations in that part of the world.

After the return of some 750,000 refugees from Zaire in December, Tanzania was also fed up and ordered its 500,000 refugees home.

But in the Tanzanian camps we had the same potent mix of civilians and former Hutu fighters, the so-called "genocidaires," who had good reasons to stay away from Rwanda. So they absconded from the camps in the opposite direction. The Tanzanian army stopped them and repatriation began. Without political support from the international community, our field workers were in no position to oppose this. So we decided not to abandon the refugees on their way home and their difficult reintegration in Rwandan society.

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Q. You have also been criticized by European Commission for giving aid to armed militants among the refugees, notably in the Tingi-Tingi camp before its population fled the advancing rebel forces of Laurent Kabila. Reportedly, your aid flights to the Tingi-Tingi airstrip alternated with Zairian supply planes for the Hutu militants.

A. This was another no-win situation for UNHCR. The camps are often misused for military and political action, and Tingi-Tingi was no exception. But in Tingi-Tingi we also had about fifty babies a day dying of hunger or disease. Should you feed starving children and their desperate mothers, when you know the food may be shared with their armed husbands and sons? If we stop the aid, we are criticized for letting people starve. If we bring in the goods, we're accused of helping the armed fighters.

Don't forget that about 80 percent of the camp populations consists of noncombatant civilians, mostly women and children. We have struggled with this dilemma since the beginning of the refugee emergency in 1994, but it is no less acute for being familiar.

•

Q. So what is the solution?

A. The separation of genocidaires and fighters from the civilian refugees in the camps is beyond the ability of unarmed aid workers. We have tried it in the beginning, but our people were threatened, and even raising the issue can put their lives at risk. Separating the deserving from the criminals can only be done by an international intervention force. Political leaders talk a lot about human rights but they shy away from a consistent political and security backup.

If we cannot get an intervention force, as was recently proposed again by UN Secretary-General Kofi Annan, UNHCR will continue to operate in a vacuum. In Eastern Zaire, some 150,000 refugees from the Tingi-Tingi camp have simply disappeared into the jungle. We cannot reach them, and large numbers may be dying right now. The only solution is to create a protected corridor to enable our field workers to do their job. Otherwise the aid effort is neither effective nor credible.

Q. The idea for a multinational intervention force was dropped after the successful return of refugees from Goma last year. Is there any chance it can be revived?

A. Well, this depends on an early consensus among the key states in New York. We'll know more in the coming days.



Dennis McNamara of the UNHCR.

ALBANIA: *Berisha Proposes New Elections*

Continued from Page 1

teenagers to hand in their weapons and vowing to punish looters.

One person was killed and three were wounded during a night of wild celebrations after rebels seized the town, site of the main army base for the region. Army reinforcements flown in to defend it fled to the mountains.

"There will be no more shootings. Children under 18 should not carry weapons. Shops will open and those caught stealing will be punished." Mr. Gozhita told a crowd of 1,500 after he was elected president of the town's 15-member rebel council.

Nothing seemed to control bands of young men, some looking no older than 12, who swung Kalashnikovs around and pointed them at motorists' faces.

"It is a big success, no doubt. He is giving up step by step," said Skender Sera, a retired army general who was ousted by Mr. Berisha in 1992 and who now heads defense for the Committee to Protect Vlore.

Mr. Berisha has been under international pressure to quell the unrest and turmoil. He proposed the overhaul of government for the first time on a state television broadcast. Opposition leaders could be seen taking notes as Mr. Berisha at times rambled on about morality, honor and the need to get on with life in one of Europe's poorest countries.

Socialist Party leaders questioned the offer, but Neritan Ceka, leader of the Democratic Alliance, raised a more conciliatory voice. He is getting closer "to the ideas we've been talking about all these days," Mr. Ceka said. "I think it's a big step."

Albania has roiled with unrest since last summer, with parliamentary elections resulting in an overwhelming victory for Mr. Berisha's Democratic Party. Protesters who challenged the results — which essentially turned the country into a one-party state — were beaten by truncheon-carrying police.

In three months, anger against the government boiled over into anarchy. Nine pyramid investment funds collapsed beginning in December, swallowing the life savings of people here who had sold their homes and cars and piled the cash into the schemes.

It is difficult to find a family in this country of 3.5 million who was not scorched by the collapse. As the crisis deepened, their fury was directed toward the government and Mr. Berisha, who they believe knew about the risk but did nothing.

■ Italian Minister Goes to Tirana

ROME — Foreign Minister Lamberto Dini of Italy flew to Tirana on Sunday at the invitation of the Albanian government and opposition leaders, a Foreign Ministry spokesman said, Reuters reported from Rome. He will hold talks with Mr. Berisha on how to move ahead to democratic elections.



An Albanian woman carrying a weapon Sunday in Gjirokastra.

WARNING: *Politicians Told of China Gifts*

Continued from Page 1

the officials termed "conclusive evidence" that Chinese government funds were funneled into the United States last year, although it remains uncertain whether any of the money ended up in congressional or presidential campaign coffers. Such contributions would violate federal law, which prohibits foreign individuals, corporations and governments from donating to U.S. political campaigns.

"There is no question that money was laundered," one official said.

"Laundering" is a technique sometimes used by intelligence agencies or criminals to route money through banks, corporations or individuals to conceal its source.

Evidence of Chinese efforts to influence congressional races was first discovered by U.S. intelligence agencies in spring 1995, officials said, as Congress prepared to vote on renewal of China's most-favored-nation status, a U.S. government designation providing substantial trade benefits.

Then, in December 1996, the Justice Department task force discovered a second aspect of Chinese attempts to influence U.S. elections. Two weeks after the task force was created, investigators studying the role of John Huang — a former Lippo Group executive and Commerce Department official who had become a top fund-raiser for the Democratic National Committee during the presidential campaign — began systematically analyzing a large volume of sensitive foreign intelligence information that had been collected but not scrutinized.

The review showed that in the early weeks of 1995, Chinese representatives developed what U.S. officials described as "a plan" to spend nearly $2 million to buy influence not only in Congress but also within the administration. The alleged effort to funnel money into congressional and presidential campaigns is now considered the most serious aspect of the task force inquiry, officials said.

A spokesman for the Chinese Embassy has categorically denied allegations that Beijing tried to influence U.S. elections.

Last June, after the FBI received the information about the attempts by Chinese representatives to direct illegal campaign contributions to the six members of Congress, Justice Department officials informed National Security Council staff workers about the matter. The staff members, who have responsibility for counterintelligence matters, were not given the names of the lawmakers, officials said.

Neither President Bill Clinton nor senior administration policymakers were briefed on the intelligence about China's congressional efforts, a White House official said last week.

A senior White House official said this weekend that the White House was unaware of alleged Chinese efforts to funnel money into presidential campaigns until reading news accounts last month.

"Our goal is to maintain substantial distance from the Justice Department investigation," the White House official added.

U.S. government officials said some Chinese government funds were directed to the United States through companies either wholly or partly owned by China. Justice investigators are trying to determine whether any of those funds were received by Mr. Huang or by two other prolific Democratic National Committee fund-raisers, Charles Yah Lin Trie and Pauline Kanchanalak, the officials added.

The three fund-raisers have emerged as the principal figures in the task force investigation into campaign fund-raising irregularities, although their roles in the Chinese efforts remain unclear. Mr. Huang, Mr. Trie and Ms. Kanchanalak have declined to comment publicly, but friends and colleagues of the trio maintain they have done nothing improper.

American officials said the Justice task force had not determined precisely what Beijing hoped to achieve in attempting to funnel contributions into congressional and presidential races. But the timing of the FBI warnings to lawmakers appears to be significant because of the 1996 vote on China's most-favored-nation trade status.

Mrs. Feinstein sits on the Foreign Relations subcommittee on East Asian and Pacific affairs, which oversees U.S. relations with China.

EXPEL: *In First Case Since War, Germany Sends Home U.S. Diplomat Who It Says Spied*

Continued from Page 1

about France's secret bargaining position in global trade talks.

Germany has repeatedly told the United States that the time has come for a sharp reduction in the number of CIA operatives here. During the Cold War, Germany was by far the largest American overseas base for military and other intelligence. Since Germany shared the U.S. priority of thwarting a Soviet invasion of Western Europe, American agents were allowed to gather information with impunity.

The escalation of economic rivalries across the Atlantic in the post-Cold War era, however, has started to generate serious friction between friendly nations. Besides European irritation over CIA attempts to find new routes to ferreting out allied economic secrets, the FBI has been incensed by the increasing efforts of France, in particular, to steal information about highly classified industrial projects of U.S. corporations.

In turn, France was so outraged by the 1995 espionage case that it suspended intelligence cooperation with the United States in such areas as terrorism and arms smuggling. According to German and French sources, the Paris government told its other European Union partners that the extent of CIA economic espionage activities was becoming a serious peril to their interests and required a hard-nosed response by the Europeans.

When John M. Deutch, then the CIA director, traveled to Europe a few months after the French fiasco in a bid to heal the breach with the allies, the Bonn government bluntly warned him that it would no longer tolerate U.S. snooping in such sensitive areas as trade and technology.

German officials said that in recent months Bernd Schmidbauer, Chancellor Helmut Kohl's chief adviser on intelligence matters, had been pressing the Bonn government's complaint that the United States appeared to be dragging its heels in living up to promises to scale down the size of its intelligence community in Germany.

According to German officials, Mr. Schmidbauer warned that U.S. recalcitrance could lead to a public embarrassment if that was necessary to get action. Mr. Schmidbauer also told colleagues that Mr. Kohl was prepared to take up the matter personally with President Bill Clinton to demonstrate how seriously Bonn felt about the matter.

Mr. Kohl spoke by telephone with Mr. Clinton last week, but it could not be determined if they discussed the latest spying incident.

In addition, American diplomats say the CIA's attempts to justify its post-Cold War purposes by expanding economic intelligence missions in Europe also have escalated clashes with Congress and the State Department because of the agency's long-standing reluctance to share sensitive information.

Hour C...

Solution to Puzzle

LANGUAGE

How Coots Are Coping With Codgerhood

By William Safire

WASHINGTON — "Geezer Strategy" was the headline of a front-page story in The Wall Street Journal about the attempt of CBS to woo an older audience back to the network. The lead: "The grown-ups are battling back."

Those two locutions — *geezer* and *grown-up* — run the gamut of characterizations of age. As a modifier, *grown-up* has all those good things going for it: "mature, experienced, dry behind the ears." But the last time I used *geezer* in a column — denouncing the "*geezer* power" of the most powerful lobby in Washington — a mail clerk with a military cry of "Incoming!" dragged in a load of mail complaining of an ageist slur. These advocates of the silver set were far from T.S. Eliot's "quiet voiced elders" — one creative soul signed his blast "Gerry Atrix."

Age-ist is an awkward word, easy enough to say, harder to put on a page. The spelling *ageist*, though sanctioned by Webster's New World Dictionary, looks as though it should sound like a-GUYST, and when you drop the *e*, to *agist*, it seems analogous to *agitner*. The hyphen in age-ist can be used to signal the pronunciation of a hard *a* and a soft *g*, at least until the word and its *-ism* become more familiar.

□

Oldsters in their 60s can use *geezer* with impunity because we're ensconced in early codgerhood. The word may be rooted in *disguise:* in Scotland, the *guisers* were revelers who, like mummers, dressed in ancient costumes, or *guises*, on certain holidays. (Sound farfetched? You got a better etymology, y'old coot?) With the meaning "fool," usually but not necessarily old, *coot* had its first citation in 1766; *old coot* is not redundant, while *old geezer* is: all *geezers*, no matter how sprightly, are old, just as all pups are young.

But how old is *old*? To many, it seems that the old-age clock begins to run at Social Security's 65, though the American Association of Retired Persons begins hitting you up for membership at 50. "You're as old as you feel" is a helpful adage, reminding us that age can be a state of mind.

With the general aging of the population, a differentiation is being made among the *young old* (65 to 75), the *old old* (75 to 85) and the *oldest old* (85 to 99). Beyond that is *centenarian*, a word chosen by David J. Mahoney, the philanthropist who heads the Charles H. Dana Foundation, for his seminal Rutgers commencement address, "The *Centenarian* Strategy." He spoke about how the *old young* — now in their 20s, just beginning to trust anybody over 30 — should plan their lives on the probability of living to 100, with worn-out organs transplanted and brain functions, especially memory, relatively unimpaired.

In the synonymy of age, *elderly* — with its comparative sense of "older than," as in "elder sister" — is the gentlest, signifying respect bordering on veneration, as in "tribal elder" and "elder statesman." As an adjective, *elderly* connotes judgment based on experience rather than only the seniority of age; as a noun, it suggests a group only approaching old age. Plain *old*, without the modifiers of *young* or *old*, deals with "advanced years" but not with degrees of physical decrepitude, first cited in this space in 1980 as "the dwindles." *Superannuated*, though fallen into linguistic desuetude, occasionally gets used to describe people pensioned or forced to retire because of arbitrary age limits. To be in one's *dotage*, from the Middle Low German *doten*, "to be foolish," suggests a state of near-senility.

Slang treats age breezily. *Granny* is gaily applied in fashion's *granny glasses* and *granny dresses*, but more poignantly applied in the abandonment of aged dependents, called *granny dumping*.

□

The shunning of elderly women shown by the disparaging *crone* or *hag* is to be discouraged. At the 1972 Moscow summit, Alexei Kosygin pointed to a female American reporter and asked Pat Nixon, "Who is that *hag of rocks?*" Mrs. Nixon professed not to hear. However, *no spring chicken* is acceptable, and *of a certain age* is preferred. The American equivalent of the Russian *bag of rocks* is *battle-ax*. Wise guys who use the pejorative *gramps* are invariably called *whippersnappers*. The 1780 *fogy*, cited in 1879 as "phogey," extra military pay for long service, can be young or old, but *old fogy* is a label more derogatory of hidebound beliefs than of age.

The hypersensitive old or their unctuous caregivers are constantly plumbing the depths of the fountain of euphemism. *Senior citizen* has had its day, as have *golden years* and *sunset years*. The jocular *chronologically advanced* is a play on correctness, and *old folks* is considered patronizing.

What's good *geezer* etiquette? *Gray* is acceptable, but *silver* is the preferred adjective; forget *gold*. Those teeth in the glasses will really smile at the use of *grown-up*. Although *adult* has been seized by the porno crowd to describe sexy movies, *older adult* is guaranteed to offend nobody. The best-loved euphemism of all is *mature*.

When the band strikes up the Stephen Foster song that begins, "Way down upon the Swanee River," substitute "Lordy" for "darkie" to bypass racism and watch out for that last line. Ditch its reference to *old folks* and get ready for a fast fix at the end to the updated title, "Mature Adults at Home."

New York Times Service

BOOKS

ASYLUM

By Patrick McGrath. 254 pages. $22. Random House.

Reviewed by Michiko Kakutani

PATRICK McGrath's latest gothic thriller, "Asylum," starts off as a sort of dark send-up of "Lady Chatterley's Lover." As in the D.H. Lawrence classic, a well-to-do woman, who's been trapped in a sterile marriage, begins a passionate affair with a laborer on her husband's estate. In McGrath's version, however, sexual love does not lead to liberation or transcendence; as in so many McGrath stories, it leads to obsession, death and everlasting guilt.

You see, the estate where Stella Raphael lives is no ordinary estate, and her beloved, Edgar Stark, is no ordinary worker. Stella's husband, Max, is a forensic psychiatrist at a maximum security hospital for the mentally ill; and Edgar is one of the hospital's patients, an artist who has been committed to the institution for the brutal murder and decapitation of his wife.

This, of course, is just the sort of grisly story that has won McGrath a reputation as one of today's foremost neogothic writers, an heir to the tradition of the psychological horror tale pioneered by Edgar Allan Poe. "Asylum" not only emerges as his most polished performance to date, but also stands as a distillation of his preoccupations: his Freudian equation of sex and death, of control and obsession, and his fascination with the morbid and grotesque.

As in each of McGrath's previous novels, the so-called facts of the story come to us through the filter of an unreliable narrator, who may or may not be telling us the truth. Like the narrator of "Dr. Haggard's Disease," the narrator of "Asylum" is ostensibly a man of science. In this case, he's Dr. Peter Cleave, an associate of Max and a consulting psychiatrist at the asylum.

Speaking in reasonable tones, Peter begins by conjuring up the rarefied world of the asylum. It emerges as a strangely Victorian realm, a paternalistic place where social niceties (like dinner dances) coexist with hierarchical strictures.

Having set the scene, Peter then proceeds to reconstruct the case history of Stella Raphael and Edgar Stark. We're told about Stella's passionless marriage to Max, her animal attraction to Edgar and her headlong pursuit of this dangerous affair. We hear about her secret meetings with Edgar in the asylum's garden, his flight from the institution and her subsequent decision to join him, underground, in London. We later learn of the scandal that erupts when Stella's betrayal is discovered, the jealousy that drives Edgar into a murderous rage when he suspects Stella of having an affair with his best friend and the consequences that Stella's actions will have for her husband and son.

These events are all related by Peter in cool, clinical prose that serves to heighten the horror of what he's describing. Stella is portrayed as the victim of "a hysterical illness," while Edgar is depicted as suffering from "a paranoid psychosis." In this account, passion is juxtaposed with reason, romantic love with domesticity, madness with control.

And yet, as Peter proceeds with his account, the reader is slowly made to doubt his veracity and intentions. Is Peter's diagnosis of Stella's case entirely accurate? Has his ambition — he is in competition with Stella's husband, Max, for the job of chief administrator — warped his analytic abilities? Or is there some even darker agenda behind his efforts to "cure" poor Stella?

McGrath has created a taut, tension-filled narrative that derives much of its power from understatement and withheld emotion. By pushing familiar passions to extremes and by glossing familiar psychological concepts with religious notions of sin and guilt and redemption, he has managed to construct a chilling story.

Michiko Kakutani is on the staff of The New York Times.

BRIDGE

By Alan Truscott

MORE than 2,000 players were heading for Dallas recently, planning to compete in the American Contract Bridge League's Spring National Championships.

The league's Hall of Fame inducts three living players each year, and this year, one of them is Bill Root of Boca Raton, Florida. As well as being the winner of 12 major national team titles, he has taught thousands of players in Florida and New York, probably more than any other bridge teacher in history.

During the 1987 Vanderbilt Teams, he held the South cards and arrived in four hearts. His partner's response of four clubs, which would be a splinter bid for most experts, showed a forcing raise in hearts with a balanced hand. With a minimum hand he naturally signed off in game, and found himself in jeopardy at the four-level.

He won the opening spade lead in his hand and led a heart.

West took the king and led his remaining spade, putting the defense on a winning track. If Root had routinely won and led a second trump, West would have been able to play a club and score a spade ruff to defeat the contract.

But Root saw the danger and countered with a neat communication-cutting play. He played three diamond winners, throwing a club from his hand, and played the fourth diamond. When East discarded a club, he threw his remaining club.

West scored a diamond trick that he neither expected nor wanted. The contract was safe, for the heart ace was the only remaining trick for the defense. East no longer had an entry to give his partner a spade ruff.

NORTH
♠ K J 7
♡ 10 9 8 7
◇ K Q 7 5
♣ K Q

WEST
♠ 3 2
♡ A K 2
◇ J 6 4 3
♣ J 9 8 6

EAST
♠ 10 9 6 4
♡ 5
◇ 10 9 8 2
♣ A 7 5 4 2

SOUTH (D)
♠ A Q 8 5
♡ Q J 6 4 3
◇ A 9
♣ 10 3

Both sides were vulnerable. The bidding:

South	West	North	East
1 ♡	Pass	4 ♣	Pass
4 ♡	Pass	Pass	Pass

West led the spade three.

CROSSWORD

ACROSS

1 "Too bad!"
5 Sen. Lott
10 Hardly colorful
14 Parks who wouldn't take discrimination sitting down
15 12 inch stick
16 Superb
17 Water conduit
18 China's Zhou
19 Do, re or mi, e.g.
20 "Little Orphan Annie" character
22 "There — young ..." (common limerick start)
24 WNW's reverse
25 Plant dripping
26 — — Kippur
31 Newsman Pyle
35 Puts up
37 Spigot
38 Switch positions
40 Santa Claus
44 Noted business conglomerate
45 Great Lakes cargo
46 C.H.
47 Sweetie
50 1040 grp.
52 Last name in cosmetics
53 Photo — (media events)
55 Supreme Court Justice Black
57 Nobel author, informally
63 Pack (down)
64 To no — (worthless)
65 Snake eyes
67 Lemon go with
68 Menu at Chez Jacques
69 One of the corners at Four Corners Monument
70 Blockhead
71 Gouged sneakily
72 Akron product

DOWN

1 It may be slung in a sling
2 Dumptruckful
3 Where China is
4 B L T, e.g.
5 Deuce toppers
6 Takeoff site
7 Actress Raines
8 Not distant
9 Cree or Crow
10 Martha Graham, e.g.
11 Castle, in chess
12 Orkin targets
13 Quilting party
21 "The Divine Comedy" poet
22 Take advantage of
25 Install to new specifications
26 Poet's Muse
27 Brawl
29 Partner for this and that, with "the"
30 Spoil
32 Wanderer
33 Absurd
34 Ruhr Valley city
35 Box office letters
36 Bit of Trivial Pursuit equipment
41 Dernier
42 Coach Amos Alonzo
43 Discard
48 Went one better than
49 Place for a little R and R
51 Devout Iranian
54 Rough cabin
56 Proceeding independently
57 Item for Jack and Jill
58 Bullets and such
59 Writer Hunter
60 Stallion's mate
61 The "A" in AHM
62 Vintage
63 Special attention, for short
66 — Drives Me Crazy" (1989 #1 hit)

Solution to Puzzle of March 7

E	A	S	T	A	S	I	A	N		A	P	P	E	L
A	L	T	A	M	O	N	T	E		D	R	I	V	E
G	E	O	M	A	N	C	E	R		V	E	N	O	M
L	U	R	E	S		H	A	V	L	I	C	E	K	
E	T	E			S	E	A	S	I	D	E			
		L	A	R	G	E	S	S	E	S				
C	A	N	A	S	T	A				I	M	A	M	
R	A	N	C	H	E	S		L	A	T	O	S	C	A
T	R	E	K				O	R	A	N	G	E	S	
		L	E	V	I	T	I	C	U	S				
	U	L	U	L	A	T	E				A	G	A	
	T	E	S	T	C	A	S	E		L	A	D	E	S
P	L	A	T	O		L	O	T	T	E	R	I	E	S
S	E	V	E	N		I	R	O	N	S	T	O	N	E
A	Y	E	R	S		C	O	N	T	E	S	S	A	S

Puzzle by Gregory E. Paul

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INTERNATIONAL

SCIENTOLOGISTS: *How Tax-Exempt Status Was Won in U.S.*

Continued from Page 1

results that the service had with Scientology, it is surprising to have the ultimate decision be favorable. It was even more surprising that the service made the decision without full disclosure, in light of the prior background."

While IRS officials insisted that Scientology's tactics did not affect the decision, some officials acknowledged that ruling against the church would have prolonged a fight that had consumed extensive government resources and exposed individual officials to personal lawsuits. At one time, the church and its members had more than 50 suits pending against the IRS and its officials.

"Ultimately the decision was made on a legal basis," said a senior agency official who was involved in the case and spoke on the condition that he not be identified.

The church's tactics appeared to violate no laws. Its officials and lawyers said in a three-hour interview in Los Angeles last month that the church had been the victim of a campaign of harassment and discrimination by "rogue agents" within the IRS.

Church officials and lawyers acknowledged that Scientology had used private investigators to look into their opponents, including IRS officials.

"This is a church organization that has been subjected to more harassment and more attacks certainly than any religion in this century and probably any religion ever, and they have had to perhaps take unusual steps in order to survive," said Monique Yingling, a Washington lawyer who represented the church in the tax case.

Since its founding in 1950, Scientology has grown into a worldwide movement that boasts 8 million members. The church has vast real estate holdings around the world and operates a yacht based in the Caribbean.

Its founder, Mr. Hubbard, asserted that people are immortal spirits who have lived through many lifetimes. In Scientology teachings, he described humans as clusters of spirits that were trapped in ice and banished to Earth 75 million years ago by Xenu, the ruler of the 26-planet Galactic Confederation.

Scientology describes its goal as "a civilization without insanity, without criminals and without war, where the able can prosper and honest beings can have rights, and where Man is free to rise to greater heights." To reach those heights, Scientologists believe, each individual must be "cleared" of problems and afflictions through a series of counseling sessions known as "auditing." The sessions are performed by a trained auditor assisted by a device similar to a lie detector, known as an E-meter.

Although Scientology's complicated finances make a total estimate difficult, records on file at the IRS indicate that in the early 1990s the church was earning about $300 million a year from auditing fees, the sale of Scientology literature and recordings, management services and the franchising of its philosophy. Church officials said those figures were higher than actual earnings.

Mr. Hubbard established the original mother church, the Church of Scientology of California, in Los Angeles in 1954. Three years later, it was recognized as tax exempt by the IRS. But in 1967, the agency stripped the church of its exemption, and a fierce struggle broke out between the agency and the church.

In its revocation letter, the agency said that Scientology's activities were commercial and that it was being operated for the benefit of Mr. Hubbard. The church ignored the action and withheld taxes.

Minutes of IRS meetings indicate that some agents subsequently engaged in a campaign to shut down Scientology, an effort that church officials cite as evidence of bias. Some of the tactics led to rebukes by judges, including a 1990 ruling in Boston that criticized the agency for abusive practices in seeking access to church records.

Scientology retaliated. In 1973 the church embarked on a program code-named Snow White. In a document labeled "secret," Mr. Hubbard outlined a strategy to root out all "false and secret files" held by governments around the world regarding Scientology.

"Attack is necessary to an effective defense," Mr. Hubbard wrote.

Under the supervision of his third wife, Mary Sue, Scientologists infiltrated the Department of Justice and the IRS to uncover information on the founder. They broke into offices at night and copied mountains of documents. At one point, an electronic bugging device was hidden inside an IRS conference room the day before a meeting about Scientology.

Critics say those actions fell under a church doctrine that Mr. Hubbard had called the Fair Game policy. Mr. Hubbard wrote that church enemies may "be deprived of property or injured by any means by any Scientologist without any discipline of the Scientologist. May be tricked, sued or lied to or destroyed."

The conspiracy was uncovered in 1977, and Mrs. Hubbard and 10 others were eventually sentenced to prison. Mr. Hubbard was named an unindicted co-conspirator because investigators could not link him to the crimes.

Minutes of IRS meetings indicate that some agents engaged in a campaign to shut down Scientology, which church officials cite as evidence of bias.

The church promised to change its ways. Members who broke the law were purged, including Mrs. Hubbard, Scientologists said, and the church restructured to protect against a recurrence. The Fair Game policy, they said, has been misinterpreted by courts and critics.

"There is nothing like that," said Elliot Abelson, the church's general counsel. "It doesn't happen."

But interviews and an examination of court files across the United States show that after the criminal conspiracy was broken up, the church's battle against the IRS continued on other fronts. When Mr. Hubbard died in January 1986, his opposition to taxes lived on among the new generation of leaders, including Mr. Miscavige, a second-generation Scientologist.

Part of the battle was public. A leading role was played by the National Coalition of IRS Whistle-Blowers, which Scientology created and financed for nearly a decade.

On the surface, the coalition was like many independent groups that provide support for insiders who want to go public with stories of corruption. But Stacy Young, a senior Scientology staff member until she departed in 1989, said she helped plan the coalition as part of Scientology's battle against the IRS in late 1984, while she was managing editor of the church's Freedom Magazine.

"The IRS was not giving Scientology its tax exemption, so they were considered to be a pretty major enemy," Ms. Young said. "What you do with an enemy is you go after them and harass them and intimidate them and try to expose their crimes until they decide to play ball with you. The whole idea was to create a coalition that was at arm's length from Scientology so that it had more credibility."

Ms. Young said she recruited Paul DesFosses, a former IRS agent who had spoken out against the agency, to serve as the group's president. Mr. DesFosses acknowledged that Scientology provided substantial financing, but he denied that the church created or ran the coalition.

Kendrick Moxon, a longtime church lawyer, acknowledged that the coalition was founded by Freedom Magazine. He said its work was well known and part of a campaign by Scientology and others to reform the IRS.

The church's war had a covert side, too, and its soldiers were private investigators. Octavio Pena, a private investigator in Fort Lee, New Jersey, achieved a measure of renown in the late 1980s when he helped expose problems within the Internal Revenue Service while working on a case for Jordache Enterprises, the jeans manufacturer.

In the summer of 1989, Mr. Pena disclosed in an interview, a man who identified himself as Ben Shaw came to his office. Mr. Shaw, who said he was a Scientologist, explained that the church was concerned about IRS corruption and would pay $1 million for Mr. Pena to investigate IRS officials, Mr. Pena said.

"I had had an early experience with the Scientologists, and I told him that I didn't feel comfortable with him, even though he was willing to pay me $1 million," Mr. Pena said.

Scientology officials acknowledged that Mr. Shaw worked for the church at the time, but they scoffed at the notion that he had tried to hire Mr. Pena.

Michael Shomers, another private investigator, said he shared none of Mr. Pena's qualms, at least initially.

Describing his work on behalf of Scientology in a series of interviews, Mr. Shomers said that he and his boss, Thomas Krywucki, worked for the church for at least 18 months in 1990 and 1991.

Working from his Maryland office, he said, he set up a phony operation, the Washington News Bureau, to pose as a reporter and gather information about church critics. He also said he had infiltrated IRS conferences to gather information about officials who might be skipping meetings, drinking too much or having affairs.

"I was looking for vulnerabilities," Mr. Shomers said.

In one instance, information that Mr. Shomers said he had gathered at an IRS conference at a mountain resort was turned over to an associate of Jack Anderson and appeared in one of the investigative reporter's columns criticizing top agency managers for high living at taxpayer expense.

At one point, Mr. Shomers said, he slipped into a meeting room at a California hotel where an IRS conference was being held and took a stack of internal agency documents. He said he mailed the material to an address provided by his church contact.

It is impossible to verify all of Mr. Shomers' statements or determine whether his actions were based on specific instructions from church representatives.



Misha Japaridze/The Associated Press

POLE POSITION — A Moscow boy going after a basket of goodies Sunday to celebrate winter's end.

中国出口商品交易会

THE CHINESE EXPORT COMMODITIES FAIR

81

the 81st Session
Spring '97

Covering a total floor space of 160,000 sqm., the current Chinese Export Commodities Fair is divided into six specialized exhibition halls, which are subdivided into 33 exhibition districts. The exhibits are displayed under six categories, i.e., Foodstuffs and Native Produce & Animal By-products, Light Industrial Products and Arts & Crafts, Textiles & Garments, Metals & Minerals and Chemical Products, Medicines & Health Products, Mechanical & Electronic Products. Thousands of Chinese foreign trade corporations (enterprises), who are of good credibility and sound financial capabilities, display more than 100,000 varieties of commodities here.

For invitation application or further information, please directly contact China Foreign Trade Centre (Group) or the Commercial Counsellor's Offices/Sections of the local Chinese Embassies/Consulates or China Travel Service (H.K.) Ltd. and its overseas branches.

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Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Evading the Questions

President Bill Clinton spoke a lot of generalities on campaign financing in his press conference on Friday and stoutly defended positions that are truisms and that no one had challenged. As for answering the real questions or putting to rest the host of issues that have been raised by the newly revealed conduct of his White House, well, that was another matter. He continues to evade the questions and blow smoke on the specific charges.

Mr. Clinton's main points were familiar. Fund-raising of the sort in which he engaged is legitimate "unless you just believe that all transactions between contributors and politicians are inherently suspect, which I don't." Translation: You have to be opposed to it all, or you have no basis to be opposed to any of his.

That is so because he, the vice president, their aides and the various other folks involved in the campaign, including those at the Democratic National Committee, stayed within the law — so far at least as the president knows and believes — and also because "I don't believe you can find any evidence of the fact that I changed government policy solely because of a contribution." He lays down a marker with that one, even with the use of the important modifier "solely."

He agrees that the current system has a terrible problem of excess. Campaigns cost too much; the amount of money he had to raise to stay competitive last year is the perfect example. That is why he is supporting campaign finance reform. And there you have the outline of his defense.

The question that gave the president the most trouble on Friday was not a general but a specific one about a particular donor, Johnny Chung, who at one point in 1995 handed Hillary Clinton's chief of staff, Margaret Williams, while she was in her White House office, a $50,000 check for the Democratic National Committee.

The president defended Ms. Williams's conduct in accepting and passing along the funds. But Mr. Chung is a businessman who may have been a conduit for illegal campaign contributions from foreigners, who was described by a National Security Council staff members as a "hustler" — and who nonetheless gained access to the White House some 50 times in the several years leading up to the election. That is about once every three weeks. Mr. Clinton's response to that one was to lay it off on the system. "On the question of access, we did not have an adequate system here ... I assumed, wrongly, as it turned out, that there were kind of established procedures."

But of course there are procedures. You don't smooth talk your way into the White House; blarney doesn't clear you through the gate, not once let alone 50 times. Mr. Chung didn't get in because the system broke down; he got in because some member of the administration put the system in play by telling the security people who man the entrances to let him in. He was not an accident; he was a guest.

We are back to the unanswered question, whose guest, and how come? And how come again and again? That is the level, or one of them, at which this affair still lives — and it concerns the activities of more frequent visitors than Mr. Chung.

— THE WASHINGTON POST.

Get Started on Reform of Campaign Finance

By E. J. Dionne Jr.

WASHINGTON — The history of reform in America is bipartisan. At different times, members of both parties made decisions, together, when something in political life had gone awry and needed to be fixed. This should be one of those times.

If the 1996 election made anything clear, it is that the American political system is dysfunctional. You don't have to be a purist to see that opening the gates to unlimited sums of political money is dangerous. Americans worry whether foreign powers, knowing our politicians' need — and lust — for campaign money, tried to buy influence with our government.

When we describe other countries susceptible to such corruption, we use the derisive term "Banana Republic." Now we are the ones with the system going bananas.

Yet the outlook for reform is bleak. Advocates of different reform plans are cutting each other up. Those who favor a particular approach argue that supporters of alternative approaches are either suckers for "halfway measures" or supporters of unrealistic (and unpassable) utopian schemes. Foes of reform watch this internal war within the "reform community" with amusement.

In the meantime, each political party has its own interest in resisting reform. Democrats lag behind Republicans in the money chase, but are competitive in raising "soft money," the unregulated dollars that can come in from almost anywhere. With a Democrat in the White House, as we are learning, the soft money possibilities are better than ever. So Democrats call for reform even as many in their ranks resist closing the soft money spigot.

Republicans do so well at fund-raising that a lot of them see reform as a Democratic plot to cut off contributions to their cause. That is why so many Republicans fought, largely successfully, to narrow the mandate of the Senate committee looking at the campaign abuses. They want the hearings on campaign corruption to be about President Bill Clinton and Vice President Al Gore, and only about them. God forbid that we examine our political system whole. Perish the thought that we ask why the race for cash leads politicians in both parties to cut corners.

That the Clinton administration was willing to play so fast and loose with the rules is no excuse for evading the incentives for corruption that exist in the part of the system that is legal.

Michael Kinsley, now editor of Slate magazine, once observed famously that the most troublesome parts of most scandals involve not what is illegal but what is perfectly legal — or, in Vice President Gore's gift to the language, what happens in those areas where there is "no controlling legal authority."

Fortunately, there still exist politicians who step outside the boundaries of current disputes and try to make their own political allies see things to which they resolutely blind themselves. One such politician is Representative Christopher Shays, a Republican from Connecticut who has been trying to clean up the campaign money mess for years.

Mr. Shays, in the reform tradition of Theodore Roosevelt and Fiorello La Guardia, cannot understand why his own party is so eager to miss the opportunity handed up by the Clinton mess to become, again, the party of clean government.

"I am dumbfounded why we would in any way have people feel that we aren't willing to look at any wrongdoing, whether it be in the White House or in Congress, Republican or Democratic," Mr. Shays said in an interview the other day. "If we aren't willing to fight for reform, then we are going to be seen as caught up in the abuses as if we committed them ourselves."

Mr. Shays has some tough words for his friends in the splintering reform alliance. "We have to be careful that we don't eat our own, and do what various term limits groups have done to themselves." He notes that term limits supporters clung so stubbornly to their particular versions of a constitutional amendment that they buried their chances of passing anything. That was no loss to the Republic, but it would be in the case of campaign reform.

Mr. Shays takes the long view, for both his party and the reform cause. It may not be possible to enact the perfect, sweeping bill in this Congress, but some of the worst abuses could be dealt with, leaving room for more substantial reform later.

True, half-steps in the proper direction sometimes frustrate the cause of fundamental reform. But at least as often they can be the beginning of a more extensive journey down the right road. Reformers should pay attention to Mr. Shays, and so should Republicans.

Washington Post Writers Group.

People Figure You Don't Get to the Top Without Lots of Cash

By George B. Pyle

SALINA, Kansas — You can hear the frustration all the way out here. The Eastern Establishment media have published or broadcast one stunning revelation after another about the questionable fund-raising practices of the Clinton campaign, from the virtual renting out of the Lincoln Bedroom to the vice president's calls from the White House seeking contributions. But the public's reaction seems to be a big yawn.

Bill Clinton's approval ratings remain high. There is no deep sense of public outrage. The best and the brightest of journalism must be wondering whether their work is somehow being blocked, the way Fidel Castro jams Radio Marti.

Come now the people of Kansas to enter a plea of not guilty to the charge of first-degree apathy.

We do care. But we care in the way people do about news that a typhoon has struck Bangladesh and left a thousand people dead. Yes, it is a great tragedy. But what could anyone, much less any one of us, have done to prevent it?

Most Kansans don't think the people at the top of the national political ladder got there by being choir boys. Just who are the hayseeds here?

My neighbors don't like the way our elected leaders pay for their campaigns. But they also subscribe to a logic that seems so obvious they really don't understand why the supposedly sophisticated folks back East are getting so worked up about all of this:

Bill Clinton is powerful. Power corrupts. Any more silly questions?

Kansas is Republican to the core. Bob Dole country. But few people here believe that any president could rise to that level without raising a great deal of money in ways he wouldn't want his mother to know about.

Reform? Sure. But who will reform a system controlled by people who got to the top by playing the game as it is now played? "Who gets up to those positions without somebody owning them?" asks a man up the road in Concordia. "Favors are exchanged up and down the line."

The banker down the street says he just can't imagine how anyone could have any success in politics without taking lots of money from people who will expect something in return.

I always thought the American people saw in Mr. Clinton a lovable rascal, a sort of baby-faced Rhett Butler. Rhett may have gotten his money from gambling and smuggling, but deep down was the kind of honor that surfaces whenever there is a chance to toss a little kindness to the downtrodden.

But the Kansans I talk to don't share my romanticized spin on the president. To them, he is just a successful example of someone in a line of work — perhaps in a nation — where success requires doing things we all used to see as slightly crooked. They cannot think of an exception to that rule, even their own Bob Dole, what with his rich friends in the grain and wine businesses.

Most Kansans did not vote for Bill Clinton. Their displeasure comes from how they perceive he has used his power — promoting abortion rights, favoring gun control, raising our taxes — not from how he acquired it or held onto it.

People in Kansas have a word for a politician who won't sell his soul to gain and hold power. Loser.

The writer is editorial page editor of The Salina Journal. He contributed this comment to The New York Times.

Working With Turkey

A top Turkish official passing through New York recently hinted studiously that his government, a member of NATO, might block the alliance's planned eastward expansion unless Turkey was admitted to the European Union. The threat is probably a bluff, but it was a reminder that Turkey, now led by an Islamic prime minister, has its own international agenda and intends to demonstrate its independence from the United States.

The change in Ankara does not mean that America and Turkey are destined to come into conflict, but careful handling of the relationship by both countries will be necessary to maintain productive ties. Turkey's pivotal importance to American foreign policy is dictated by history and geography. As a bridge between Europe and Asia and an important force in the Middle East and Gulf region, Turkey can have a decisive impact on American interests in a large swath of the world. As the NATO veto threat suggests, Turkey can make itself felt in unexpected ways.

Turkey's new government seems as insistent about joining Europe as were its secular predecessors. Ankara's application cannot and should not succeed so long as its military and police forces trample the rights of the Kurdish population in the name of a war against violent Kurdish separatists. But beyond that, Turkey's claim seems to be unfairly blocked by Greece's bitter hostility and the anti-Muslim prejudices of other European states.

Since Necmettin Erbakan, the Welfare Party leader, came to power last June as head of a coalition government, Washington has worried that Turkey would shift from its traditional European orientation and seek new, anti-American alliances with radical Muslim countries in the Middle East. The concerns seemed justified by the anti-NATO, anti-Israel rhetoric Mr. Erbakan habitually used before his party emerged as Turkey's top vote-getter last December, and later by his early official visits to Iran and Libya.

But more recently Mr. Erbakan has hewed to a more pragmatic course, renewing Turkey's military cooperation agreement with Israel and continuing to provide bases for American air operations in northern Iraq.

Now the more pressing question is whether the Islamic government will respect the rights of secular Turks and maintain its alliance with the United States. Mr. Erbakan recently stirred alarms at home by challenging the strict secularist guidelines designed by the founder of modern Turkey, Mustafa Kemal Ataturk.

Unlike America's own secularist tradition, these leave little scope for individual displays of religious devotion. Mr. Erbakan proposed relaxing the prohibitions against women wearing veils and head scarves in the civil service and public universities. He also called for graduates of religious academies to be allowed to serve as military officers, and supported the construction of large mosques in the center of Istanbul and Ankara.

Many secular Turks, particularly women, fear that these steps could be a prelude to fundamentalist intimidation. After an inappropriately pointed warning from Turkey's politically powerful generals, Mr. Erbakan last week promised to respect existing secularist legislation.

Ankara should continue to encourage peace between Israel and its Arab neighbors, enforce UN sanctions against Iraq and show its willingness to thwart Iran's export of terrorism. If it does so, the United States should be able to work constructively with the Erbakan government.

— THE NEW YORK TIMES.

Challenging Beijing Is Not the Way Forward for Hong Kong

By Franklin L. Lavin

HONG KONG — Tung Chee-hwa will be one of the most scrutinized politicians on the planet this year. On July 1 he will succeed Britain's last colonial governor, Chris Patten, and become the first chief executive of the Hong Kong "Special Administrative Region."

Will this Hong Kong shipping magnate, whose business China once helped through troubled times, be able to stand up to Beijing? That is the most frequent question asked about him, the premise being that since people in Hong Kong enjoy more rights than people elsewhere in China, the key job of the new chief executive will be to fend off any attempted Chinese encroachments.

But this analysis is flawed because of what it presupposes about Beijing and the most effective way to deal with it.

Hong Kong residents do enjoy a range of personal liberties that are almost up to the standards of Western countries. A variety of media outlets, free expression, some contested elections, commercial freedoms, protection of private property, and religious freedoms are all well established here.

While freedoms have increased in China in the past 20 years, much of the country is well behind the levels of liberty in Hong Kong.

But the greatest mistake Mr. Tung could make would be public defiance of Beijing, or to interpret his position as one that requires public confrontation with Chinese authorities.

China will grant wide tolerance for Hong Kong's status only if Hong Kong does not seek to challenge Bejing's authority. Only if China feels secure in its sovereignty over Hong Kong will it tolerate the territory's many differences in style and substance.

Defiance of or confrontation with Beijing would actually undercut Hong Kong's status. Once a difference between Hong Kong and Beijing moved into the public domain, the particular issue at hand would fade in importance, because what would matter would be the question of primacy. Who is in control, Beijing or Hong Kong? No political leader in any system would idly tolerate an open challenge from a regional politician, least of all in China with its authoritarian government.

Any changes that take place under the new government of Hong Kong will get a lot of attention. Many will be either symbolic or stylistic, although some will be more serious, such as the recent moves to modify the territory's Bill of Rights. But changes in that area were followed only weeks later by an announcement of almost complete continuity in the career civil service.

Indeed, the largely untold story of 1997 will be one of continuity — about how most day-to-day life will go on under the Chinese just as it did under the British.

In fact, if we look at the enormous political convulsions that take place elsewhere in the world when there is a transfer of sovereignty — such as on the West Bank or in Bosnia — the real story of political transfer in Hong Kong is not how much is being changed but how much stability there is.

Yet some onlookers, including some members of the press, want to preemptively mug Mr. Tung by establishing impossible standards of performance that would allow them to declare him a failure or a lackey. So if he does not turn into a Thomas Jefferson, all hope is lost.

Such an analysis sees the role of the chief executive as a Lech Walesa or an Alexander Solzhenitsyn, someone who stands up to the central government and becomes a moral force through his courage. But the more apt analogy for Mr. Tung would be a quieter version of Mikhail Gorbachev or a Boris Yeltsin, someone who works within the system.

Once Hong Kong is returned to China, it will become the country's wealthiest, most open and most international province. Its small population of just over 6 million belies its economic strength. Hong Kong has greater exports than most European countries. Shouldn't the job of its chief executive be to draw on these successes and thus demonstrate the strength of the Hong Kong model?

Some Americans like the theatrical aspects of political confrontation, easy enough in a system where people enjoy broad protections against political leaders. China has no such protections and no such traditions, making it highly unrealistic for any leader in Hong Kong to publicly criticize Beijing.

Indeed, it could be argued that any public defiance would play into the hands of Chinese hard-liners by giving them the excuse to push for a clampdown in Hong Kong.

Mr. Tung's goal should not be to stand up to China, but to bring about a successful transition. That means maintaining a vibrant economy, protecting confidence in Hong Kong, safeguarding its uniqueness and fending off any initiatives that might undermine this status. He should be given the benefit of the doubt. How can we afford greater respect and even sympathy to others who worked within their systems for change and not accord some patience and respect for him?

If he succeeds in administering Hong Kong well, he will have demonstrated to Beijing that a modern, open society can be run by Chinese, for Chinese, without posing a threat to the Chinese government.

The test for Mr. Tung is not the extent to which he publicly defies Beijing, nor the extent to which he accommodates Beijing, although he will have critics and supporters who seek those paths. It will be the extent to which he quietly and persistently builds on Hong Kong's successes of open economic and political systems.

Then he can show critics and supporters in Beijing, Washington and elsewhere that such openness brings not only the best hope for material prosperity but also the best prospect for human happiness and social stability.

The writer, who lives in Hong Kong, was a deputy assistant secretary in the U.S. Department of Commerce from 1991 to 1993. He contributed this comment to the International Herald Tribune.

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Other Comment

Reduced Taxes in India

More than one expatriate Indian businessman has pulled us aside to explain his feeling of economic exile. The high taxes, entry obstacles for foreign partners, import restrictions etc. all make it difficult to do business at home. So they make their fortunes overseas, send money back to their parents and dream of an India freed of zero-sum economics. That day may be moving a little closer. Finance Minister P. Chidambaram has grasped the taxation nettle.

In a country where only 1 percent of India's 950 million people are assessed by the taxman, the income tax rates for India's three income brackets will be brought down 10 percentage points to 10, 20 and 30 percent. Corporate tax will come down to 35 percent from 40.

When taxes are too high it becomes worthwhile for people to look for ways around them. Governments that reduce their rates to more reasonable levels also reduce the incentives for fraud. In Hong Kong they have perfected that principle. There an effective top payroll rate of just 15 percent has yielded bountiful surpluses, so much so that the government is able to exempt almost two-thirds of its working population from paying any income tax at all.

— Far Eastern Economic Review (Hong Kong).

Look Behind This Buzzword

By Gary J. Bass

CAMBRIDGE, Massachusetts — Still searching for a new strategic vision after the collapse of Soviet communism, some of the West's brighter lights have seized on a theory hugely popular among political scientists: that democracies do not go to war against one another.

Says Professor Jack Levy of Rutgers University: The so-called democratic peace is "the closest thing we have to an empirical law in the study of international relations."

But when diplomats and leaders of democratic countries open their mouths on the subject, they have an unsettling way of turning a peaceful idea into a veiled threat.

The most recent offender is Michael Portillo, the British defense minister. After meeting last Monday with U.S. Defense Secretary William Cohen, Mr. Portillo explained why Russia should learn to stop worrying and love NATO expansion:

"Perhaps the most important element of all in the new security architecture is the existence of so many new democratic countries, because democratic countries do not go to war with each other. Democratic countries do not invade one another."

But if democracies pose no threat to one another, and Russia is a democracy, what is the point of bringing the Czech Republic, Hungary and Poland into NATO? Maybe we should instead be concentrating on ensuring that Russia remains democratic.

Or if Mr. Portillo reckons that Russia is not really a democracy and therefore might be a threat to the fledgling democracies in Central Europe, mentioning the democratic peace serves only as a slap to the Russians rather than as a reassurance.

In his 1994 State of the Union Message, President Bill Clinton declared: "Ultimately the best strategy to ensure our security and to build a durable peace is to support the advance of democracy elsewhere. Democracies don't attack each other."

And at the height of the crisis in Haiti in 1994, he argued for military intervention, saying, "Democracies here are more likely to keep the peace."

Mr. Clinton had many good reasons for intervention: to protect Haitians from the brutality of the junta, to stop the rush of refugees and to honor his own campaign oratory. But it is hard to believe that he was acting because he feared that Haiti would become a military threat to the region.

In the Mideast, the democratic peace argument has been used as an insult to Israel's undemocratic neighbors. In March 1995, when President Hosni Mubarak of Egypt was complaining about Israel's atomic arsenal, Shimon Peres, then Israel's foreign minister, responded: "The solution to the nuclear problem is democratization, since democratic countries do not use nuclear weapons against their neighbors."

Mr. Peres may be right, but he was really avoiding the issue. He implied that Egypt had no right to criticize Israel because Egypt was an authoritarian country.

The thought of a world where democracy brings peace is compelling. But the idea should not be used to hide other political motivations, to antagonize undemocratic regimes for the mere sake of doing so, or simply as an all-purpose buzzword. And it should not become an excuse for belligerence.

The writer, a fellow at Harvard's Center for European Studies, contributed this comment to The New York Times.

Herald INTERNATIONAL Tribune

ESTABLISHED 1887

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Directeur de la Publication: Richard McClean

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S.A.S. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337
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IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Powers in Accord

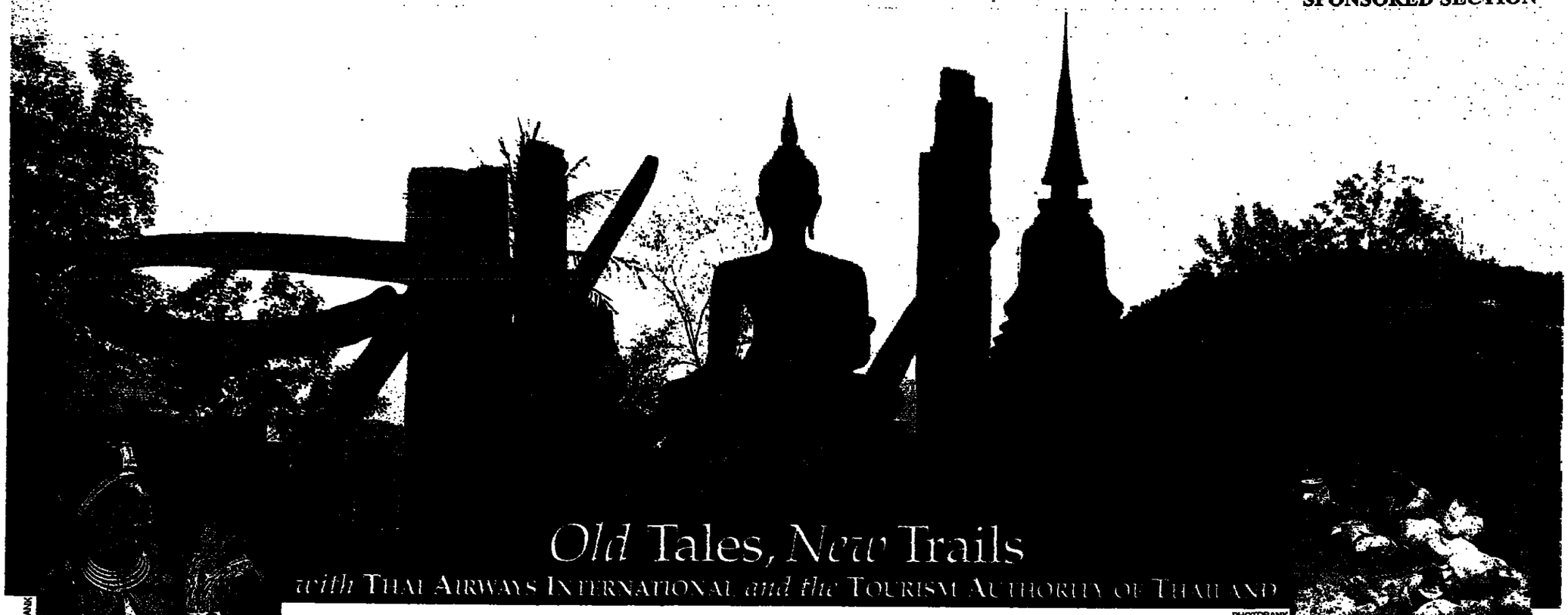
PARIS — [The Herald says in an Editorial:] That Greece must yield to the demands of the Great Powers for the withdrawal of her forces from Crete is no longer a question of doubt. But there must be no isolated action by the Powers. Prince Bismarck's organ condemning the participation of Germany is worthy of special attention, for the well-known effort of the young Kaiser to drag Europe into extreme measures has not been beneficial. The Powers must act in perfect harmony, so that Greece should have no justification for expecting countenance or secret support from any one of them.

1922: Genoa Refusal

WASHINGTON — It was officially announced here that any changes in the agenda of the Genoa Conference will not cause America to reconsider her determination not to be present. The reasons for the American refusal are: First, that the Conference is essentially political and that the U.S. regards the gathering as one in which European nations will settle internal differences. Second, that the participation of Russia is premature since there is no assurance that its Government will respect property rights or reduce its armed forces.

1947: Security Pact

BERLIN — Secretary of State George Marshall announced today [March 8] that the United States will urge the adoption, at the Moscow conference, of a four-power security pact of German demilitarization as a preliminary to the actual treaty-making with Austria and Germany. An important effect of such a pact, he made clear, would be to allay mutual suspicion and give the Allies common ground to begin discussions.



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Old Tales, *New* Trails

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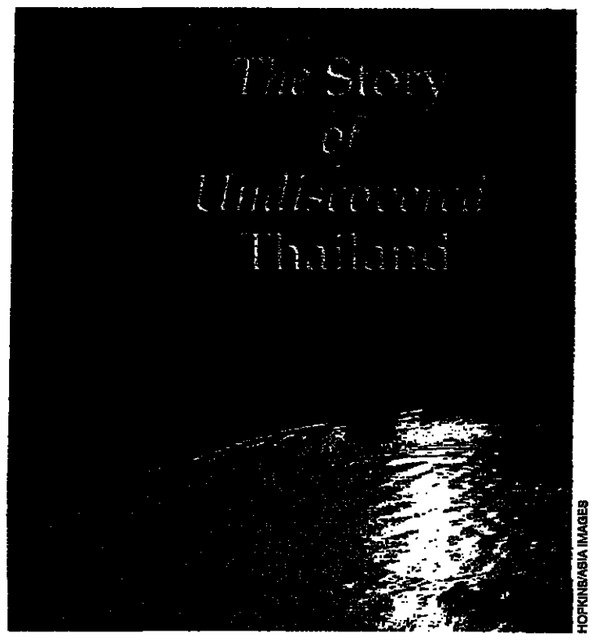
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Top: Wat Mahatat at Sukhothai. Above, top to bottom: a woman and child from northern Thailand; the Mekong at Chiang Khan; scuba diving off the Similan Islands.

Top to bottom: prehistoric relics from Ban Chiang; women in traditional dress; a beach in the Similan Islands. Center: the Mekong at Chiang Saen.

Bordered by Laos to the north and northeast, Cambodia to the east, Myanmar (Burma) to the west, and Malaysia to the south, Thailand occupies a unique strategic position in Southeast Asia.

For more than a thousand years, this land of natural abundance and varied scenery has served as a meeting place for assorted cultures, while in modern times, it has managed to preserve both its independence and its treasured traditions. Today, more than ever a hub for regional travel, it continues to play a central role in the tourism industry as well as on the rapidly developing business scene.

The kingdom's principal attractions are well known to both tourists and business travelers. Bangkok, the gateway for most, is a vibrant modern metropolis of soaring skyscrapers, sophisticated shopping, entertainment, convention centers and some of the world's best hotels. At the same time, it retains much of its exotic appeal: dazzling Buddhist temples and royal palaces, a majestic river that flows through the city's heart and teeming markets piled high with tempting bargains.

Novel itineraries

Outside the capital, a number of destinations have also been long established. Sukhothai, the first independent Thai capital, and Ayutthaya, which ruled for four centuries, are designated as World Heritage Sites, and their imposing ruins rank high on any list of Asia's past splendors. Chiang Mai in the north, which last year celebrated its 700th anniversary, is a major center of traditional handicrafts and a popular base for exploring the beauties of the surrounding mountain scenery. Such seaside resorts as Pattaya and Hua Hin on the Gulf of Thailand and the island of Phuket in the Andaman Sea are internationally known for their scenic beaches, all kinds of water sports and accommodations that meet almost any budget.

But Thailand – roughly the size of France – offers other experiences that remain comparatively unknown to the average visitor, ranging from unspoiled natural scenery to one-of-a-kind adventures.

The northeast, for example, a rolling plateau that stretches to the Mekong River and occupies fully a third of the country's total area, figures on few travel itineraries, even though it boasts major archaeological sites (some going back to prehistoric times), a very distinctive culture and proximity to the just-opening countries of Indochina.

Nature is another lure, especially to ecology-minded visitors from more developed parts of the world. Over 50 areas scattered throughout Thailand, in all four major regions, have been designated as national parks, with settings that range from rugged mountains to spectacularly beautiful seacoasts and limestone islands.

Convenient air service and an excellent national highway system now make it easy to explore the country's richly varied flora (including more than 1,000 native orchids and some 500 species of trees) and wildlife (elephants, of course, as well as gibbons and nearly 1,000 different birds).

Looking for adventure

From far northern towns like Chiang Rai and Mae Hong Son, once regarded as remote outposts, there are adventure rafting trips along rivers that wind through jungled hills, as well as treks to hill-tribe villages rarely seen by outsiders until a few decades ago.

Enthusiasts of sea and sun now have an equally broad range of choices. Making their base at either Phuket or Krabi – both of which offer five-star resorts as well as budget-priced bungalows – they can venture out to discover the pristine Similan Islands, about 100 kilometers (60 miles) away in the Andaman Sea, or, nearer at hand, the 400-square-kilometer Pangnga Bay National Park, with its surrealistic seascape of countless islands large and small rising 300 meters or more from the sea.

Marine sports include scuba diving in crystal-clear water (the largely uninhabited Similans offer some 30 sites, ranked by experienced divers as among the best in the world), chartered yacht cruises, deep-sea fishing and trips in eco-friendly sea canoes into magical, half-submerged caves adorned with dramatic stalactites.

Other seaside destinations that have emerged in relatively recent years are Koh Samui in the Gulf, which already has a considerable range of accommodations, and the more remote Koh Chang, one of the least visited marine national parks off the coast of Trat province near the Cambodian border.

Ever-changing in some respects, timeless in many others, Thailand has something to offer just about every kind of traveler – even those who think they've seen it all.

William Warren

CREATURES AND CREATIONS: LITTLE-KNOWN TREASURES OF THE NORTHEAST

ISAN – WITH ITS INDEPENDENT PEOPLE, SPICY CUISINE, KHMER TEMPLES, NATIONAL PARKS AND WILD ELEPHANTS – IS NO LONGER IGNORED BY THE COUNTRY'S AUTHORITIES OR BY TOURISTS.

In 1955, King Bhumibol Adulyadej and Queen Sirikit made a lengthy tour of the northeastern provinces, the first time a ruling monarch had ever visited what was then a remote region, popularly known as Isan and historically the poorest in the kingdom.

This pioneering trip gave the royal couple a rare opportunity to meet and talk with some of their neediest subjects and marked the beginning of the concern for rural development that has become a major hallmark of the king's 50-year reign. At the same time, it gave the people of Isan a chance to show their devotion to the monarchy and perhaps provided some hope that their long experience of general neglect might be nearing an end.

Though one-third of all Thais live in the 17 provinces of the northeast, it is undoubtedly the least known of the country's regions to outsiders – the "white patch on the map of Thailand," as one writer has described it.

At least part of the reason was inaccessibility. A railway line reached Nakhon Ratchasima (also known by its former name, Korat) in 1900, but it went no farther until 1926, when it reached Ubon Ratchathani; not until 1955 was it extended to Nong Khai on the Mekong.

As late as the early 1960s, there were few paved roads and almost no accommodations for tourists. Even Thais from other regions seldom ventured into Isan, though they often praised its spicy cuisine, which could be sampled in Bangkok restaurants catering to itinerant Isan workers.

Gradually, however, things began to improve. An extensive network of all-weather highways was built, some by the U.S. military, which had bases in the region during the Vietnam War. Flights began to increase as provincial capitals increased in prosperity, attracting business travelers.

Today, all the major northeastern towns are linked by good roads, a new bridge across the Mekong into Laos has been built at Nong Khai and tourists are beginning to discover some of Isan's long-hidden treasures.

Prominent among these are the remains of one of the world's most fascinating prehistoric cultures, discovered in the 1960s, as well as the finest collection of Khmer temples outside of Cambodia.

The region can also boast some of the country's most beautiful national parks. Khao Yai – now within a few hours' drive of Bangkok – covers more than 2,000 square kilometers (770 square miles) and shelters several hundred of the last wild elephants still to be seen in Thailand, while the more northerly Phu Kradung, in Loei province, is centered around a lofty mountain crowned by 60 square kilometers of temperate-zone trees and wildflowers. (Loei is also home to one of Thailand's first commercial vineyards, which markets its products under the label Château de Loei).

Perhaps Isan's greatest asset is its people. Famously independent (it is no accident that many of Thailand's most outspoken writers and politicians have come from the region), they are accustomed to a life that is seldom easy, yet they are noted for their hospitality and love of fun. This is nowhere more evident than at such festivals as the Elephant Roundup, staged every November in Surin, and *boon bang fai*, or rocket festivals, held in several provinces during May, just before the annual rice planting. More solemn, but no less colorful, is the Candle Festival at the beginning of Buddhist Lent in Ubon Ratchathani, when huge, locally carved candles are paraded proudly through the streets.

No longer isolated, no longer ignored by the authorities, the northeast is now becoming a center of purposeful activity – "the region of the future," as one official recently termed it in a discussion of the role it is likely to play in trade with neighboring countries in Southeast Asia. For increasing numbers of ordinary visitors in search of new trails to explore, the future has already arrived.

W.W.

"THAILAND"
was produced in its entirety by the Advertising Departments of the International Herald Tribune. It was sponsored by Thai Airways International and the Tourism Authority of Thailand.
WRITERS: *John Hoskin and William Warren, both based in Bangkok.*
PROGRAM DIRECTOR: *Bill Mahder.*

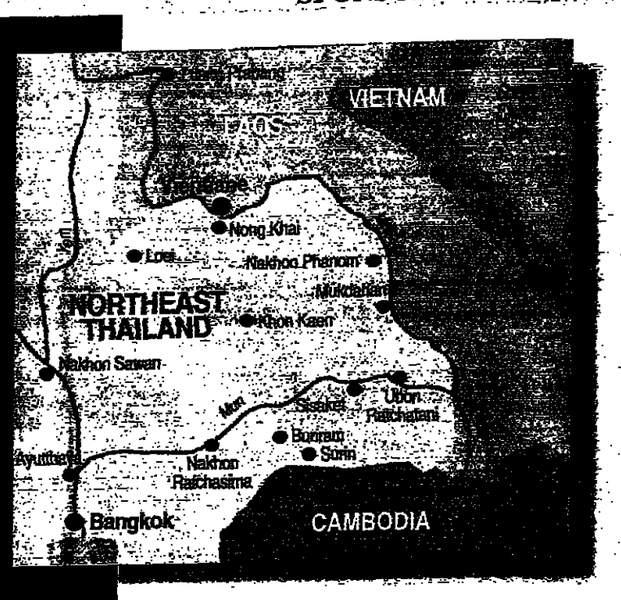
Right: a Thai wall painting.



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THE MEKONG RUNS THROUGH IT

A RICH VARIETY OF DESTINATIONS CAN BE EXPLORED IN THE REGION THROUGH WHICH THE RIVER FLOWS.

A new agency set up in January 1997 by the Tourism Authority of Thailand will effectively become a secretariat for tourism development in the Greater Mekong Subregion. The creation of the Agency for Coordinating Mekong Tourism Activities is an indicator of Thailand's leading role in promoting what has been dubbed "Southeast Asia's last tourism frontier."

Broadly defined by the passage of the Mekong, the Greater Mekong Subregion is spread over six countries: Thailand, Laos, Cambodia, Myanmar (Burma), Vietnam and the Yunnan province of China. Covering some 2.3 million square kilometers (888,000 square miles), the area encompasses an extraordinary wealth of natural and historical wonders that, because of a troubled past, have been mostly closed to the traveler until now.

Today, in a climate of growing economic cooperation and political stability, the Greater Mekong Subregion is opening up to tourism. Working in conjunction with the United Nations Economic and Social Commission for Asia and the Pacific, as well as the Asian Development Bank, the tourism authorities of the six Mekong countries have identified 30 "Jewels of the Mekong," sites of exceptional scenic, historical and cultural interest such as the ancient ruins of Angkor in Cambodia; Luang Prabang, the exquisite former royal capital of Laos; the prehistoric excavation site of Ban Chiang in northeast Thailand; and Vietnam's picturesque Ha Long Bay.

Indochinese lifeline

The world's 10th largest and 12th longest river at 4,200 kilometers (2,600 miles), the Mekong rises in the high Tibetan plateau and flows south through the rugged terrain of China's Yunnan province before forming the border between Myanmar and Laos and then touching northern Thailand at the Golden Triangle. The river next turns east into Laos, passing both Luang Prabang and the present-day capital of Vientiane, and then makes a broad curve that defines the frontier between northeast Thailand and central and southern Laos. After crashing over the Khone Falls, the largest barrier on the river, the Mekong flows south through Cambodia, skirting Phnom Penh, to enter southern Vietnam, where it forms a classic delta as it finally joins the South China Sea.

Historically, the Mekong has been the main lifeline linking the Indochinese peninsula. Along its banks have arisen the major civilizations that shaped the history of Southeast Asia, while the river itself has sustained remarkably diverse peoples who preserve distinct cultures. And because the Mekong has been little explored or exploited, all remains pristine.

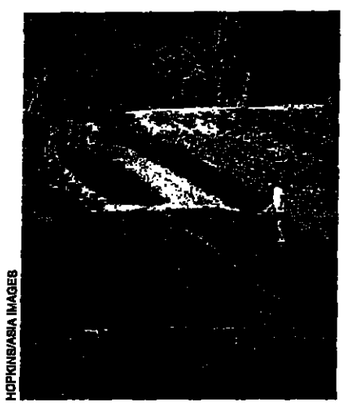
A base for exploration

Among the Mekong countries, Thailand offers the most convenient gateway and base for exploring the region. Located in the heart of the area and boasting a long-established and highly developed tourism infrastructure, Thailand has direct air links to all parts of the world, while flights from Bangkok afford easy access to the major cities of the other five Mekong countries. Road and river communications are being rapidly expanded to provide a choice of transport that greatly enhances touring options.

It is possible, for example, to enter Laos via the Friendship Bridge, which spans the Mekong at Nong Khai in northern Thailand. Both Luang Prabang in Laos and Jinghong in Yunnan can be reached by boat along the Mekong from Chiang Saen in northern Thailand, and there is a northern land crossing into Myanmar. Flight connections between provincial towns allow for multi-destination itineraries that do not demand repeated transit via Bangkok.

Tour companies are now taking advantage of these travel options to offer a wide choice of programs, and, while Thailand itself offers the best hotels, restaurants and shopping, the standards of accommodation and other facilities are now fast improving throughout the Greater Mekong Subregion.

John Hoskin



HOPKINS/ASIA IMAGES



HOPKINS/ASIA IMAGES

The Mekong region, with a variety of landscapes and distinct cultures, is now more accessible to visitors than ever. Top to bottom: the Mekong at Nong Khai; rapids at Ubon Ratchathani; a farm in Jinghong, in the southern Chinese province of Yunnan; mahouts washing their elephants.

TRAVELING ALONG THE MEKONG'S BANKS



PHOTOBANK

One of the world's least developed rivers, the Mekong flows largely through untamed countryside that is often difficult to reach except by boat.

In northeast Thailand, however, the Mekong's banks are paralleled by a road for several hundred kilometers, affording a scenic route for touring by car. A two-day journey, allowing for stops, between Loei and Ubon Ratchathani covers the entire passage through Thailand.

The river first joins the northeastern border near Chiang Khan in Loei province. A typical rural riverine settlement, it is remarkable purely for its fine views of the Mekong. From Chiang Khan, the road follows the river eastward toward Nong Khai. The forested hills of Loei are reflected across the valley in the even more verdant mountains of Laos.

Nong Khai, site of the Friendship Bridge, the first and so far only span across the Mekong outside of China, is one of the most charming towns on the Thai side and a traditional crossing point into Laos. It is pleasant to stop here and take a meal in a riverside restaurant, although two or three venerable temples are also worth visiting.

Downstream from Nong Khai, the Mekong flows first northeast, then south for its long run down Thailand's eastern edge. This is one of the broadest sections of the entire Mekong valley; in parts, the river reaches a width of more than a kilometer (0.6 miles).

About 50 kilometers south of Nahkon Phanom, the next town of note, lies Wat That Phanom, one of the most revered shrines along the Mekong. The road continues downstream past the town of Mukdahan and the sleepy village of Khemmarat, then turns its back on the river. A drive southwest, however, leads to Ubon Ratchathani, from which it is possible to follow the Mun tributary to a spot known as Two-Color River, where the clearer water of the Mun meets the mud-brown Mekong. Prehistoric rock paintings on the cliff of Pha Taem add a last touch of wonder as the river turns away from Thailand and heads into Laos.

J.H.

TO MARKET, TO MARKET

Every major Thai city has its modern centers where shopping can be enjoyed in air-conditioned comfort.

But for an experience that combines the thrill of discovering a bargain with a close-up glimpse of local culture, nothing can equal a few hours spent exploring the multifaceted delights of a real marketplace.

Bangkok offers dozens. Some of them have only a few vendors along a public sidewalk, while others are vast, permanent affairs that attract regular crowds. The largest by far – probably the largest in Asia, as a matter of fact – is the Weekend Market held at Chatuchak Park, just off the road leading to Don Muang International Airport.

Here, on some 30 acres (12 hectares) of land, over 5,000 stall holders open for business early Saturday morning, continuing until the last customer straggles out on Sunday evening.

Just about everything made or grown in Thailand can be found, along with many imports. There are basic household items, of course, as well as the whole range of local foods, but that's only the beginning. There are also antiques, furniture, ceramics, clothing, musical instruments, ornamental plants, pets, leather goods and children's toys – to mention only a few of the countless categories.

Another market worth a discovery tour is Sampeng in the heart of Chinatown. Dating back to Bangkok's earliest days, the narrow lane is lined with shops selling everything from buttons and gold chains to traditional cooking equipment and favors for wedding receptions.

Nancy Chandler's "Market Map of Bangkok," available at most bookshops, is a useful guide to these and other, less-well-known places in the capital.

A similar focal point for shoppers in the northern city of Chiang Mai is the Night Bazaar, which began as a few open-air stalls on a vacant lot and is now housed in a covered complex with several levels. Chiang Mai is the main center of northern crafts, and most of them can be found here: lacquer and silverware, brocaded silks and cottons, splendid woodcarvings and hand-painted umbrellas – a selection sure to require an extra bag for the trip home.

Markets are an integral part of Thai life, and wherever you find yourself in the country there's likely to be one, full of surprises and temptations.

W.W.



PHOTOBANK

While modern shopping centers are everywhere, markets provide a better glimpse of local culture.

ANCIENT WITNESSES: POTTERY AND TEMPLES

RELICS OF AN ADVANCED PREHISTORIC CULTURE AND THE FINEST EXAMPLES OF KHMER ARCHITECTURE OUTSIDE OF CAMBODIA RECOUNT THE NORTHEAST'S FASCINATING PAST.

In the summer of 1966, an American student named Stephen Young, the son of a former U.S. ambassador to Thailand, happened to pass through an obscure hamlet called Ban Chiang in the northeastern province of Udon Thani. Among the debris piled up along the sides of a road under construction, Mr. Young noticed some unusual pottery shards, buff-colored and adorned with bold, swirling red designs.

Such shards had been noticed before but had aroused little interest. This time, however, Mr. Young brought some back to Bangkok, and from there they eventually went to an American museum for scientific dating.

Thus, quite accidentally, began one of the most exciting chapters in contemporary archaeology.

Later excavations by the Thai Fine Arts Department and the University of Pennsylvania revealed that an extraordinary prehistoric culture, going back to nearly 4000 B.C., had flourished on the northeastern plateau. Among its achievements were sophisticated bronze metallurgy as well as rice cultivation, fine pottery and possibly even textiles.

Indeed, some of the archaeologists who worked on the site became convinced that the so-called Ban Chiang culture ranks as an authentic "cradle of civilization," thus challenging traditional assumptions of a gradual spread from the Middle East to Asia.

The findings are still incomplete, and many tantalizing mysteries remain about the people of Ban Chiang, in particular: where they came from and where they eventually went when the culture disappeared from the region around A.D. 500.

Enough is known, however, to dispel old theories that Southeast Asia was a "cultural backwater" and also to add a flavor of romance to the present-day village, where a modern museum now houses a representative sampling of its long-hidden secrets.

Among the archaeological treasures of the northeast are other remains that reflect a later, more spectacular period of its history.

Between the ninth and 14th centuries, the area was an important center of Khmer culture whose power and influence extended over much of contemporary Thailand.

The great sanctuary of Prasat Hin Phimai, for instance, not far from the provincial capital of Nakhon Ratchasima, was linked by a direct road to Angkor and is regarded as one of the finest examples of classical Khmer architecture.

An early 12th-century monument built in the style of Angkor Wat, it was restored under the direction of Bernard Groslier, who had previously been responsible for conservation work in Cambodia. Nearby is the Phimai National Museum, which opened in 1993 and displays a wide variety of art objects, Thai as well as Khmer, found in the region.

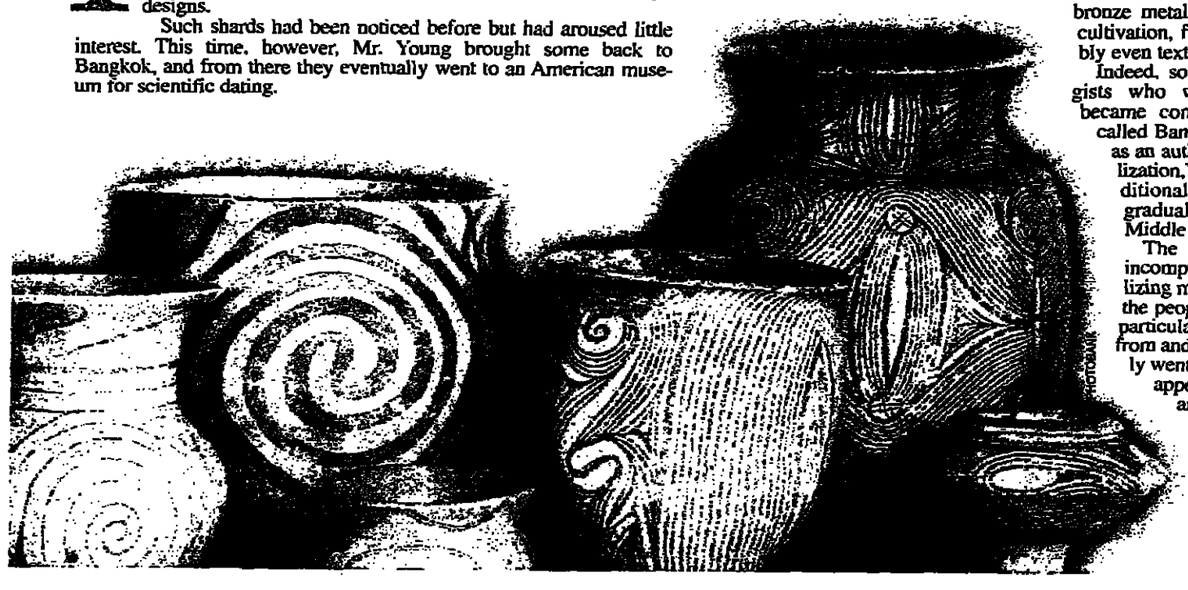
Another notable relic of the Khmer era is Prasat Phanom Rung, scenically situated atop a wooded hill in Buriram province, near the Dongrek Mountains along the Cambodian frontier. It has been carefully restored over a period of 17 years by the Fine Arts Department and is approached by a splendid 200-meter-long (660-foot) avenue leading up a series of terraces.

The complex is adorned with beautiful stone figures and friezes, one of which – stolen in the 1960s – was retrieved from an American museum after a much-publicized protest. At the foot of the hill is Muang Tham, an older temple dating from the 10th century.

Altogether there are more than 30 such sites scattered around the northeast, especially in Nakhon Ratchasima, Buriram, Surin and Sisaket provinces. Until Cambodia itself becomes readily accessible, they offer the best opportunity to view Khmer artistry outside a museum.

Most of the provincial capitals now have good hotels, providing a base for leisurely exploration of the surrounding sites.

W.W.



PHOTOBANK

Pottery from the so-called Ban Chiang culture, which flourished on the Thai northeastern plateau from about 4000 B.C. to A.D. 500.

SPONSORED SECTION

ISAN COOKING: FRUGAL AND ADVENTUROUS

Foreign admirers of Thailand's cuisine, especially those who have acquired a taste for its subtle flavors at one of the numerous restaurants that now offer it in almost every major city of the world, may not realize that it varies considerably from region to region. A curry in the north, for instance, is very different from one in the south, and nowhere is the cooking more distinctive than in the northeast, where influences from neighboring Laos and Cambodia have had a profound impact.

To a degree, northeastern food reflects the fact that life in the region, known as Isan, has traditionally been difficult, encouraging frugality as well as an adventurous spirit when it comes to certain ingredients.

"Isan people eat anything," Bangkok residents are apt to remark, and so it may seem to finicky outsiders invited to a meal in one of the more remote hamlets. Fried grub worms or grasshoppers may be offered for a snack, or perhaps toasted ant eggs, snail curry or a fermented fish of exceptional pungency. Chili peppers are also used more lavishly than almost anywhere else in the country, no doubt to enliven what might be bland dishes.

But such exotica is actually the exception rather than the rule, especially in larger communities.

Indeed, more and more, one is likely to hear connoisseurs of Thai cuisine proclaiming that Isan fare is the best in the country, the true test of a cook's skill. Typical northeastern dishes, once confined in Bangkok to out-of-the-way street-side shops, are now to be found on the menus of the smartest restaurants. The dishes are praised for their delicate balance of hot and sweet, sour and salty.

Som tam (green papaya salad) is a specialty of the region, as are barbecued chicken with a special hot sauce, *laab* (spicy minced pork or chicken), *hor mok* (fish with curry paste, steamed in a banana leaf) and catfish curry. Glutinous rice is the staple, as it is in Laos, and typical Lao herbs such as dill often turn up as a garnish. Another popular dish of Lao origin is *khanom buang*, a thin crispy crepe stuffed with dried shrimp, bean sprouts and other ingredients, which requires considerable skill to prepare properly and is mainly served on special occasions.

Traveling through the northeast is bound to be a revelation for any serious gourmet, even those who think they already have considerable knowledge of Thai cooking.

W.W.



PHOTOBANK

Northeastern cuisine: Laotian and Cambodian influences.

ON BROADWAY AND IN THE ROYAL PALACE

In 1951, when "The King and I" first opened on Broadway, audiences applauded not only the memorable music and the performers but also the sumptuous costumes created by designer Irene Sharaff. Few of them, it is safe to say, could have guessed that much of the shimmering material used had been woven by hand in a sleepy northeastern Thai village called Pak Thong Chai.

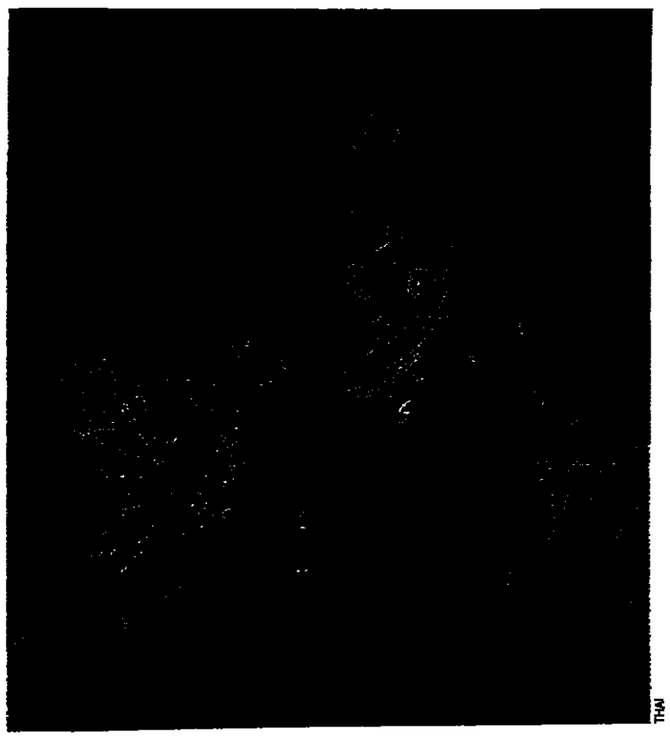
Silk has long been a leading handicraft of the northeast. It was the favored material for high officials of the royal court, and many of the most prized pieces were woven there. The tradition persisted even after imported textiles became more stylish among Bangkok's elite in the early 20th century. Countless Isan villages continued to raise the tiny worms and spin the thread that was transformed into lustrous lengths for special occasions.

Weaving techniques were passed down from generation to generation. Girls learned them from a very early age, and each was expected to produce at least two superior pieces by the time she reached the age of marriage: one as part of her own wedding outfit and one to present to her future husband.

Just after World War II, when an American named Jim Thompson set about reviving the almost moribund Thai silk industry, he naturally turned to the northeast for many of his weavers. An important center was at Pak Thong Chai, not far from the provincial capital of Nakhon Ratchasima, and it was here that most of the material for "The King and I" was produced under his supervision. Mr. Thompson mysteriously disappeared in 1967 while on a holiday in northern Malaysia, but the company he founded still operates a hand-weaving factory near the village – the largest such facility in the world.

Found throughout the northeast today, silk is a major attraction for visitors. Look in particular for a type known locally as *mud-mee*, a tie-dye ikat weave with wonderfully subtle patterns. Queen Sirikit noticed the beauty of mud-mee on the pioneering trip she and King Bhumibol Adulyadej made to Isan in 1955. She has since used it extensively in her own wardrobe and actively encouraged increased production under her foundation for the Promotion of Supplementary Occupations and Related Techniques (SUPPORT), which has training centers in several provinces.

W.W.



THAI

Women wearing wraps made of the silk fabric called* pa bieng, *woven using the* teen jok *technique.



THAI'S JUMBO VILLAGE, SURIN
หมู่บ้านช้างการบินไทยสุรินทร์

ELEPHANTS FIND A HOME

Do cars yield to elephants or vice versa? The answer is not to be found in the highway code, but the question often puzzles Bangkok motorists since unemployed elephants have been straying into city streets in recent years in search of food and work.

Their keepers, or mahouts, bring them into the city to earn money by getting passersby to pay for a bit of food to give to the animals or for the chance to walk underneath them, which is thought to bring good luck.

The sad fact is that with Thailand's dwindling forest cover, which prompted a logging ban in 1989, work elephants are simply out of a job. The economic boom that has brought unprecedented prosperity to the cities has not yet filtered down to the countryside.

The population of wild elephants in the country is estimated at 2,000, down from 30,000 in the 1960s, while the number of domesticated animals is reckoned to be between 3,500 to 4,000, compared with 11,000 thirty years ago. Nearly half the latter are without gainful employment.

Haven

Fortunately, a haven for the hapless pachyderms now exists, thanks to Thai Airways International (THAI). In what must be a unique venture in the world of civil aviation, the national carrier has joined with the northeastern province of Surin to establish a center where elephants can find a new lease on life.

Known as THAI's Jumbo Village and located near the town of Baan Tha Klang, the project is appropriately sited in an area long renowned for its elephant herds. The Suay people who live there are skilled in elephant training. The idea behind THAI's initiative is to serve the dual purpose of conservation and community development, and the project has four distinct goals: to provide necessary care for the elephants, to improve natural conditions in the Surin forest area by expanding food and water supplies, to create job opportunities for the local people and to boost public awareness of the animals and the need for their conservation.

"We realize the urgency and need to return these animals to their natural habitat," says Thamnoon Wanglee, president of THAI. "We also want to prepare Baan Tha Klang to be one of Thailand's communities dedicated to conserving the elephant population. Hopefully, we will achieve our objective of establishing an appropriate system to conserve Asian elephants."

Priority task: provide water

Jumbo Village occupies an area of 1,600 hectares (4,000 acres) and is located 3 kilometers (1.8 miles) north of Baan Tha Klang in a district where there is a shifting population of between 100 and 200 elephants. Both animals and villagers in the area have until now suffered from a lack of a dependable year-round water supply. Accordingly, the project's initial task was to expand an existing reservoir and provide villagers with water tanks, pumps and feeding pipes.

THAI is now setting up a foundation to manage Jumbo Village and ensure funds for its ongoing operation. Implementation of the foundation is to be divided into two phases, the first of which will see the establishment of an Education Center. The center will serve as the focal point for the dissemination of information on elephants, and it is intended to promote a new approach to elephant conservation.

The second phase of the project will set up an elephant feeding area, entailing fencing land and cultivating suitable crops to supply fodder as well as to rejuvenate degraded forest land. Also included in the second phase will be the construction of a fully equipped veterinary center capable of providing emergency treatment for elephants in Surin and nearby provinces.

Once Jumbo Village becomes established as a central elephant reserve, THAI hopes to expand the scope of the project beyond Surin, even to other countries with significant elephant populations.

J.H.

AY, THERE'S THE HUB

THAILAND HAS WHAT IT TAKES TO TAKE CARE OF BUSINESS.

Thailand's economic boom of the late 1980s and early 1990s has made Bangkok and the country as a whole not just a place to do business, but also an easier place to do business. Whether for traveling executives or delegates at international conventions, facilities for getting down to successful business make Thailand one of today's most attractive commercial centers in Southeast Asia.

Situated in the heart of the region, roughly midway between India and China, Thailand's central location has become even more important in recent years with the opening up of markets in Southeast Asia and the Greater Mekong Subregion.



PHOTOBANK

The Queen Sirikit convention center in Bangkok.

If business is to be done in Indochina, Thailand is the principal gateway.

Enhancing the geographical advantage is Bangkok's role as the region's aviation hub. Served by virtually all of the world's major airlines, the Thai capital is readily accessible from all parts of the globe.

In addition, national carrier Thai Airways International operates more flights to more regional destinations than any other airline, offering the most convenient connections between Europe and the markets of Southeast Asia.

On the ground, transportation options are also becoming increasingly developed. Once the Greater Mekong Subregion is opened up, for example, it will be possible to drive all the way from Bangkok to southern China – an opportunity that regional rivals cannot match.

In Bangkok, two mass-transit rail systems are due for partial completion in 1998, when the city will host the Asian Games, while some $15 billion has been earmarked for further expressway construction. Within Thailand, road, rail and air links put every part of the country within easy reach of the capital.

Long sustaining a burgeoning tourism industry, Thailand can claim some of the best hotels in the world, and the choice continues to expand.

Quality is not the only factor; quantity has the advantage of keeping prices extremely competitive and affording a wider choice of location.

Quality and choice

Bangkok hotels can now be found outside the traditional downtown areas, and first-class accommodation is increasingly being made available in newly emerging parts of the city, especially along Srinakarin, Ratchadapisek and Petchburi roads.

Recent hotel development is also placing greater emphasis on the business traveler. One newly opened property, for example, offers all-suite accommodation with separate sleeping and lounge/working areas, plus in-room fax, voice mail, data port and line, and other interactive amenities. Such executive facilities are further paralleled in the growth of serviced apartments designed for the long-stay business traveler.

Convention and conference facilities at major hotels are complemented by independent venues that, again, are expanding. In September 1997, Bangkok's current top spot, Queen Sirikit International Convention Center, will be joined by the Bangkok International Trade and Exhibition Center. The largest facility of its kind in Southeast Asia, the center will boast a main hall offering 215,000 square feet (20,000 square meters) of column-free space.

Outside the capital

Bangkok does not have a monopoly on the convention market, and among other destinations, the island resort of Phuket and the northern capital of Chiang Mai are ideal for small or medium-sized meetings and seminars. The standard of facilities is good, although the big plus is a relaxing atmosphere that is a welcome change from the usual corporate environment.

J.H.

A THAI CULTURAL ICON

THE ELEPHANT HAS FIGURED PROMINENTLY IN THE KINGDOM'S CULTURAL AND ECONOMIC LIFE.

Thailand's shape has often been likened to that of an elephant's head, the trunk formed by the long, slender peninsula leading to Malaysia. The comparison is an apt one, for certainly no other animal has figured more prominently in the kingdom's cultural and economic life.

Thousands of wild elephants once roamed the forests of Thailand, especially in the northeast, and from the earliest days they were captured, tamed and put to various uses. One of the most important was warfare. During a mid-16th century clash between the Thai and Burmese armies, more than a thousand pachyderms, clad in protective leather armor and trained to charge in the front line of attack, took part in the battle. Somewhat later, in 1592, one of the most famous battles in Thai history, between King Naresuan of Ayutthaya and the Crown Prince of Burma, took place on elephant back. The Thai king triumphed and thus saved his kingdom's independence.

Pampered pachyderms

The animals were also used for transport, especially by higher-ranking members of society. Because of their high price and the expense of their upkeep, elephants became closely identified with royalty, and every ruler had special stables for his favorites. A European visitor to Ayutthaya in 1596 described their treatment: "Each one had its silk cushion, and they slept on it as if they were small dogs. It is easy to imagine the size of cushions made for elephants of six yards or more. They were fastened with chains as heavy as door chains, plated with gold. . . . Even the tassels were of silk, and each one of them had six very large bowls of gold."

Even after Bangkok became the capital, by which time traditional warfare had ended, elephants remained a potent symbol of power. In response to a gift from President James Buchanan of the United States, King Mongkut (Rama IV) wrote a letter offering a supply of the animals, which he suggested could be set loose and allowed to multiply. By the time the letter arrived, the presidency had passed to Abraham Lincoln, who, then in the midst of the Civil War, politely declined, since "our political jurisdiction . . . does not reach a latitude so low as to favor the multiplication of the elephant."

By the end of the 19th century, most domesticated elephants were being employed in the teak forests of the far north. Around 20,000 were at work around the Chiang Mai area alone in 1900, and there were an estimated 100,000 in the whole country. More efficiently than any machine ever devised, they dragged the huge logs down to the river banks, where they were floated downstream to the sawmills of distant Bangkok.

Pale trunks and party manners

From the earliest days, the celebrated White Elephant enjoyed a special symbolic role. Wars were fought over these rare animals, statues erected to their memory, and rulers judged by the numbers they possessed. Until 1917, the national flag of Thailand (or Siam, as it was then known) displayed a noble white elephant against a brilliant red background.

Actually, as more than one foreign visitors has pointed out, the adjective is misleading. While some might be conspicuously pale, others, to the untrained eye, look very much like ordinary elephants. To qualify for the title and the honor it brings, an animal must pass a complex series of tests laid down by ancient Brahmans that cover everything from color to demeanor – its snoring, for instance, should not be noisy but "should emit the pleasant sounds of classical Thai musical instruments."

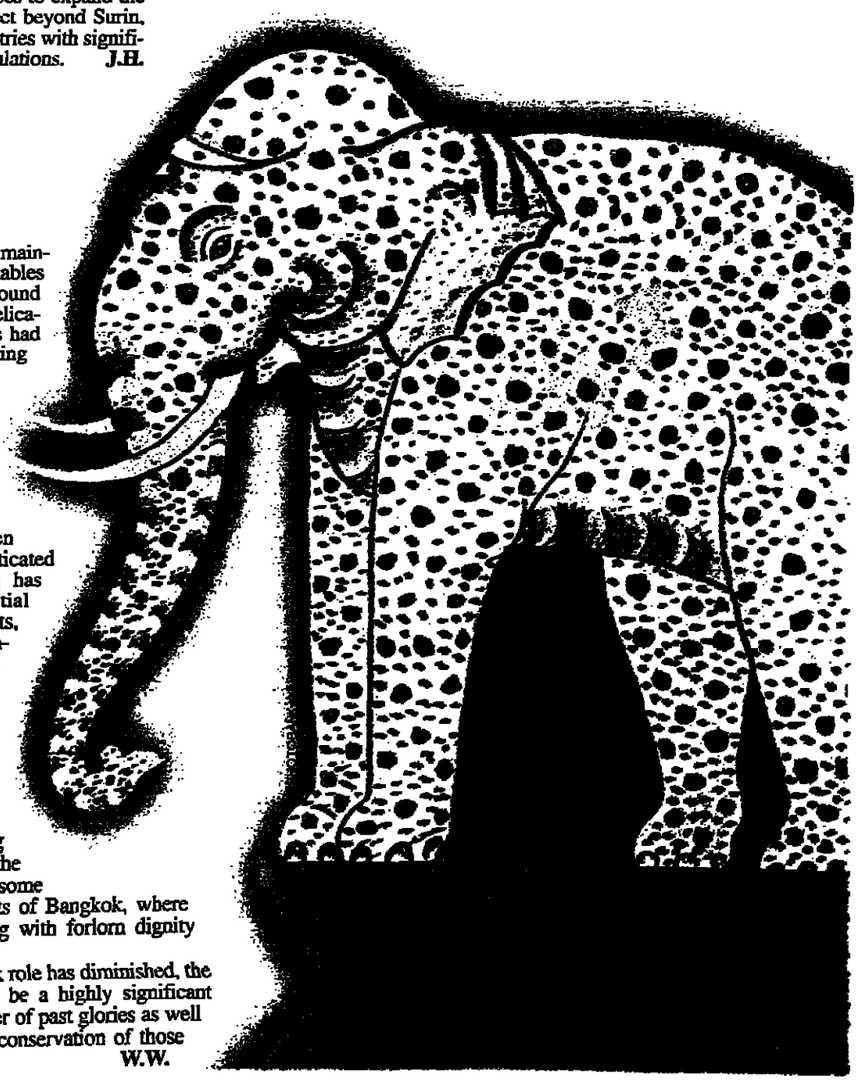
By tradition, all such elephants found become the king's exclusive property, maintained in comfortable stables within the palace compound and fed a special diet of delicacies. The present ruler has had 17, the most of any Thai king in history.

Today, the number of wild elephants in Thailand has shrunk to an estimated 2,000 – the biggest population within a national park, in Khao Yai, is some 200 – and there are between 3,500 and 4,000 domesticated ones. A ban on logging has ended their once-essential work in the northern forests, though there is still a training camp for young elephants in Lampang province.

Most of the other tame elephants and their mahouts, or trainers, now earn a living by carrying visitors on adventure trips through the jungle or taking part in such events as the Surin Elephant Roundup; some even turn up on the streets of Bangkok, where they can be seen plodding with forlorn dignity through the traffic.

But even though its work role has diminished, the great animal continues to be a highly significant Thai icon, a living reminder of past glories as well as of the urgent need for conservation of those that remain.

W.W.







THAI



THAI



THAI

Among THAI's measures to maintain competitiveness are purchases of new B747-400s, introduction of in-seat videos and a wider selection of in-flight meals.

You Make the Choices

Royal Orchid Holidays gives travelers flexibility and handles the details.

The flexibility of independent travel combined with the economical price of a package tour is the secret of success behind Thai Airway International's (THAI) Royal Orchid Holidays. Now in its 28th year, the program covers the airline's entire route network and attracts around 200,000 vacationers annually.

"We are accepted as a quality worldwide package program offering upmarket clients a very attractive price, even if it isn't the cheapest service," says Sunisa Shuntikul, director of Royal Orchid Holidays.

The original concept dates back to the 1960s, when THAI concluded that many of Asia's most interesting and unusual attractions were not being marketed effectively. What was needed, it was thought, was a reliable system whereby travelers could make all arrangements for hotels, transportation, sightseeing and so forth, just as it suited them, in all the stops on their itinerary. The outcome was a holiday program sold in conjunction with THAI's Royal First, Royal Executive and Economy class tickets. Travelers fly where they choose, on scheduled flights, and there is no question of having to travel and stay with the same group throughout a multi-destination itinerary.

When the program was launched in 1969, 12 tour plans were offered; currently, passengers can chose from hundreds of different holidays, mini-breaks, options and extensions in 21 countries. In addition, brief city stopovers cover 30 countries.

Thailand is naturally a top choice, and the holiday program takes full advantage of the wide scope of multifaceted destinations available.

Thailand and Indochina

A mini-break in Bangkok alone provides a huge variety of tour options, from the Floating Market to the Grand Palace, the Temple of the Emerald Buddha, the Vimanmek Royal Mansion and the Jim Thompson Thai House. A second day could include a Rice Barge Canal Tour or a visit to the Ancient City.

Thailand is, of course, more than just Bangkok, and Royal Orchid Holidays provides an ideal way of seeing the best of this big country in a short time. Tours cover all the main attractions, from the beaches of the south to the hills of the north.

Better still are the creative itineraries, which present a full and representative range of the nation's sights in a single holiday. Among new offerings this year is Royal Orchid Holidays' five-night "Thailand Classic" tour, which takes visitors from Bangkok to Ayutthaya and then on through the historic towns of Phitsanulok and Sukhothai to the northern highlights of Lampang, Chiang Saen, the Golden Triangle and Chiang Mai.

With Royal Orchid Holidays, neighboring countries can be conveniently added to a Thailand tour. Among the options are Angkor in Cambodia; Luang Prabang, the old Royal capital of Laos; and cruises along the Irrawaddy in Myanmar (Burma). In 1997, Laos, Cambodia and Vietnam have for the first time been combined in a single tour.

The program is being constantly refined to reflect not only new destinations and itineraries, but also new trends and preferences. Notably, "soft" adventure travel has gained wide popularity in recent years, and Royal Orchid Holidays meets the demand with its "Go Active Thailand" program.

Go active

The "Go Active Thailand" program includes options such as sea canoeing in the south, mountain biking in the north, scuba diving and four-wheel-drive safaris. Nor does adventure have to be tough going; one addition to the 1997-98 "Go Active Thailand" list is a discovery cruise from Phuket to Singapore by luxury sailing ship.

Golf, too, is very much on the upswing in Thailand. There are more than a hundred challenging golf courses in the country, many designed by such greats as Jack Nicklaus, Robert Trent Jones, Jr. and Isao Aoki. Royal Orchid Golfing Holidays offer two- to three-day inclusive arrangements that allow play at a score of the finest courses in no less than eight different destinations around the country.

By being flexible and offering tailor-made packages catering to a wide variety of preferences, Royal Orchid Holidays affords the essential freedom that travel is all about, without the frustration of complex booking arrangements. **J.H.**

In a Growing Market, THAI Hones its Edge

THE NETWORK BOASTS MORE ROUTES AND AN UPGRADED FLEET.

With civil aviation continuing to grow at record rates, Asia is set to become the world's busiest area for international air transportation by the dawn of the 21st century. As one of the region's leading airlines, Thai Airways International (THAI) continues to expand its route network and fleet to maintain a competitive edge, especially in serving passengers to Asia from Europe.

In the latter part of 1996, the airline introduced daily non-stop B747-400 flights to London, which now gives THAI unrivaled daily non-stop services between Bangkok and Europe's top four gateway capitals – London, Paris, Frankfurt and Zurich. Additionally, seven direct flights weekly are offered between Bangkok and Amsterdam and Scandinavia, while Rome is now served six times weekly. In December 1996, Munich was brought on line with five direct flights a week, operated in cooperation with partner Lufthansa.

Elsewhere, THAI's Bangkok-Sydney route has been upgraded to daily non-stop flights using B747-400 aircraft. The service is scheduled with a convenient afternoon departure time from Sydney and has rapid transit connections in Bangkok for onward flights to various points in Europe. On the U.S. route, the Los Angeles service will be similarly upgraded in May 1997 to daily flights, from a previous four a week.

New services to Surabaya in Indonesia and Jinghong in southern China's Yunnan province are scheduled to begin in March 1997. The Surabaya route is operated three times a week via Denpasar with A300 aircraft, and Jinghong is offered thrice weekly with BAe 146s, with flights originating in Chiang Mai and routed via Chiang Rai. The latter service boosts access to the Greater Mekong Subregion, an area with considerable trade and tourism growth potential. Also new in 1997 is the addition to THAI's domestic network of Buriram, in northeastern Thailand, the gateway to nearby ancient Khmer ruins.

With its expanded program, THAI now offers 73 flights a week to 13 key European cities, from Istanbul to Stockholm, operated by its own aircraft and those of its code-sharing global partners Lufthansa and SAS. Strategic alliances with these two European airlines offer passengers streamlined connection schedules, which give travelers from Asia faster transit times through German and Scandinavian gateways to more than 50 onward destinations throughout Europe.

THAI also has a strategic alliance with Ansett Australia and recently was selected as a member of the global Olympic Airline Team, which covers a network serving 120 countries over five continents. Member airlines are expected to carry hundreds of thousands of passengers between Australia and the rest of the world in the period leading up to and during the 2000 Olympics.

In Asia, THAI has more flights to more countries than any other airline, serving 36 key points around the region, as well as 22 domestic destinations. With the national carrier's expanded services, Bangkok now provides the most extensive air links of any city in Asia, thus enhancing its natural geographic advantage as a regional gateway in the heart of Indochina.

Paralleling route expansion is THAI's program to upgrade its fleet by purchasing the latest wide-bodied jets to boost productivity and customer appeal. Last December, the airline added another B747-400 and a B777-200 to its fleet, while an additional B747-400 and three more B777s are scheduled for delivery in 1997.

With the orders in place, THAI will have a fleet of 78 aircraft by 1998. On regional and trunk routes, the airline uses Airbus equipment, as well as the latest Rolls Royce-powered B777-200s. For longer-distance intercontinental routes, B747-400s and MD-11s form the heart of the fleet. **J.H.**



BURNABIA IMAGEB

THAI frequent fliers now have the choice of redeeming their mileage credits for "Experience Awards" – such as an elephant trek or a round of golf – rather than airline seats.

Upgrading Service: A Continuing Process

FOR THAI AIRWAYS INTERNATIONAL, MEETING CUSTOMERS' DESIRES IS NOT A CATCH-UP GAME, BUT AN ONGOING PROGRAM OF ACTION.

Keeping abreast of new technology has become essential if airlines are to upgrade in-flight services and stay ahead of the competition. Thai Airways International (THAI) is no exception.

Among recent innovations is the introduction of in-seat videos in Royal First and Royal Executive class cabins of selected aircraft. Video Walkman units are available on demand to Royal First and Royal Executive class passengers on all intercontinental flights. The library of video cassettes carried onboard includes first-run and classic movies, sports, humor and special-interest features. This facility not only provides a personal choice of videos, but also allows passengers to view as and when they wish, stopping a tape for a meal or sleep and viewing the rest later.

For greater passenger comfort on long-haul flights, THAI has equipped a special compartment in First Class cabins on its new B747-400s with 180-degree reclining seats. Seating in Business Class has also been upgraded, with leg rests and other improvements designed to ensure a more restful flight.

Overall, THAI has made customer service a prime concern, with full attention paid to improvements in procedures as well as to technological innovation. From more streamlined service at check-in counters to a wider selection of in-flight meals, the entire chain of passenger service is being upgraded in an ongoing process.

In Thailand, a new direct telephone service allows travelers to obtain instant up-to-the-minute information on flight arrivals and departures. The number – 1566 – can be called around the clock.

At Bangkok International Airport, a second passenger terminal was opened in 1996, increasing handling capacity by more than 20 percent. THAI provides handling services for 50 airlines and deals with more than 70 percent of the 21 million passenger movements through Bangkok, and the airline continues to invest heavily. Baggage handling systems and in-flight catering services, as well as passenger check-in facilities, are being regularly upgraded.

Passengers can now check in for THAI's international and domestic flights at any of the airline's counters, rather than having to line up at a particular desk for a designated flight.

Not least of the airline's recent achievements has been the success of its Royal Orchid Plus frequent-flier program, now boasting a membership in excess of 600,000 people in more than 100 countries and growing at a rate of some 2,000 a week. With partner carriers United Airlines, Lufthansa, SAS, SAA and Ansett Australia, Royal Orchid Plus has become Asia's leading and most beneficial integrated frequent-flier program. Earning and redemption of miles on the six airlines now covers six continents and more than 500 destinations.

One of the most appreciated advantages of the Royal Orchid Plus program is that benefits are gained for all classes of service flown and on domestic as well as international flights. Realizing that demand can be high at certain peak times, THAI has diversified the redemption offer beyond air seats. Instead, Royal Orchid Plus members can try an "Experience Award," such as elephant trekking in northern Thailand, a round of golf in Phuket or even "flying" one of the airline's ultramodern flight simulators, an unforgettable experience. **J.H.**

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CAREERS

For the Disabled, Entrepreneurship Is Providing New Open Doors

By Jay Mathews
Washington Post Service

WASHINGTON — David S. Birnbaum, deaf since birth, was doing computer consulting in Silver Spring, Maryland, when he noticed how much his deaf friends and clients were paying for sign-language interpreters — $40 to $60 a hour, often with a two-hour minimum.

"I thought they were being ripped off," he said.

Americans with disabilities are accustomed to such frustrations and often have to live with them. But Mr. Birnbaum, 48, is a natural entrepreneur who had been dreaming up business ideas for years. He said he saw ways to cut the inconvenience and cost of interpreting, and to make money for himself.

Two years ago, he opened Birnbaum Interpreting Services to do just that. His pursuit of the dream is an emblem of a new approach to widening job opportunities for the disabled.

Since the Americans With Disabilities Act was signed in 1990, disability-rights activists have sought to use the law to make more jobs available to disabled people, with some success.

Now, several organizations are trying to help the disabled not just work for businesses but run them. They say opportunities for the disabled are abundant, despite corporate downsizing.

Entrepreneurs are more likely to help people with disabilities, they say, if the business owners themselves have similar perspectives and life experiences.

Starting a business is a frightening prospect for most people. It is not something that family, friends or service agencies usually encourage disabled people to do. But William J. Malleris, a housing developer in Naperville, Illinois, who has a neuromuscular disorder that requires him to use a motorized scooter to get around, says it is worth exploring.

An entrepreneur, he said, "can pick and choose what he wants to do."

Urban Miyares, president of the Disabled Businesspersons Association, based in San Diego, said, "Finding a good job is often difficult, so self-employment may be a good option for some."

Federally funded and state-managed vocational rehabilitation programs have money to help people who want to run their own businesses, said Randee Chafkin, a program manager for the President's Committee on Employment of People With Disabilities, "but the counselors for whatever reason have never really pushed it as an option."

An estimated 3 million disabled Americans work for themselves, many running very small — but successful — businesses from their homes.

Ms. Chafkin estimated that nearly 3 million disabled Americans work for themselves, many running very small businesses from their homes.

Morris Tranen, president of the Partnership Development Group in Columbia, Maryland, which promotes entrepreneurship for people with disabilities, said self-employment offered flexibility, such as the freedom to work all night on a project if necessary.

Mr. Tranen cited a man who made dental appliances in his basement and was delighted to be able to make a living without ever having to leave home.

Mr. Birnbaum's company grew out of his efforts to expand his computer-services business. He had long been accustomed to taking the initiative in his career.

He was, he said, the first deaf taxi driver in New York and one of the first deaf people to set up his own company. The interpreting company he founded in Silver Spring, Maryland, in early 1995 now has a staff of 30, including two other deaf people, and annual sales of $1.5 million.

He is placing much of his hope for expansion on a new concept: video-remote interpreting. Along with a few other entrepreneurs in the field, he is developing a system that would allow a deaf person to call up a sign-language interpreter on a computer screen at a moment's notice. People using the system would be charged by the minute, not the hour, perhaps less than $2 a minute, a rate that would save both money and time, Mr. Birnbaum said.

Mr. Birnbaum said entrepreneurs with disabilities not only had a chance to provide extra services to others with disabilities but could understand subtleties of their lives that often eluded others.

Ms. Chafkin said the president's committee was working with the departments of education, Treasury and commerce, the Small Business Administration and some banks and loan companies to arrange more opportunities for businesses run by people with disabilities.

The president's committee, a 50-year-old federal agency based in Washington, also has begun to recognize pioneering business owners who are disabled.

Last summer it presented the first Evan Kemp Entrepreneurship Award to Heidi Van Arnem, a travel-agency owner in Birmingham, Michigan, who uses a wheelchair. The committee also gave its Justin Dart Achievement Award to Mr. Malleris.

Ms. Van Arnem, 30, said she started her travel business after she had difficulty finding anyone who would hire her. She was paralyzed below the neck in a shooting accident when she was 16.

After college and a bit of law school, she was not sure what she wanted to do and found many potential employers uninterested. But she enjoyed travel, though she often found the arrangements made for her by travel agents disappointing. She tried to arrange some trips herself and found she could discover better bargains than the agents had. A business was born.

Mr. Malleris, 41, said he wore out four tires on his scooter while overseeing construction of his first 48-unit apartment building, designed to attract both disabled and nondisabled tenants.

He said he completed the project in nine months and filled the building with tenants in 35 days. "My banker was very pleased," he said.

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CAPITAL MARKETS ON MONDAY

Specter of Interest-Rate Rise Haunts Bond Rally

Bridge News

NEW YORK — The bounce in Treasury-bond prices that began late last week could carry over into this week, but traders see bonds heading lower again eventually because the possibility of an interest-rate rise is still glowing on their radar screens.

The bond market welcomed the February employment report, released Friday, because some of its components seemed to take pressure off the Federal Reserve Board to raise rates immediately.

These included a 0.2 percent rise in average hourly earnings and a drop in the job-leavers rate mentioned by the Fed chairman, Alan Greenspan, last month in his semi-annual Humphrey-Hawkins testimony before Congress.

The yield on the benchmark 30-year Treasury bond ended Friday at 6.81 percent, down one basis point for the week.

On the other hand, an impressive 339,000 jobs were added to nonfarm payrolls in February, and the average workweek jumped by 0.8 of an hour, suggesting that the labor market remains robust enough to keep the Fed tilted toward an

U.S. CREDIT MARKETS

interest-rate increase. Given Mr. Greenspan's recent comments about the possibility of a "pre-emptive" increase to stave off inflation, some market participants still say the Fed could decide to lift rates at the March 25 meeting of the Federal Open Market Committee.

But even with the chances of a near-term move uncertain, traders say technical factors could push prices higher. The sell-off in recent weeks has left the market under-priced, they say, and with the worries about the latest jobs report out of the way, buying could pick up again.

Traders say the bond market's rally on the employment report suggested that far more short positions had been established ahead of that report than many people had realized.

They also say surveys show that portfolio managers still have some cash to put to work. Given those prospective sources of demand, "it wouldn't surprise me if prices do better the next two or three sessions," a bond trader said.

But, he added, with a Fed tightening this month still a possibility, the market will remain sensitive to economic news such as the February retail sales report, due Thursday. The healthy February chain-store sales reported last week raised some forecasts, and the consensus is now for a 0.6 percent increase in retail sales, matching the rise in January. That could indicate inflationary pressures, which could spell bad news for bonds.

On the other hand, other indicators, such as the February producer-price report due Friday, should be inflation-friendly enough to reduce the market's worries about a March rate increase. The report is expected to show a decline of 0.1 percent in the overall index and a rise of 0.1 percent in the core rate, excluding food and energy costs.

If the inflation numbers meet expectations, the Fed "will have very little political cover to institute a tightening move at the end of the month," Joe Liro, chief economist at CIBC Wood Gundy, said. But he said he expected unfriendly inflation news in April, in the form of a big earnings gain in the March employment report and a deterioration in the first-quarter employment-cost index.

Mr. Liro said those reports would send bond prices to new lows for the year during the second quarter, but that for now Treasury prices have hit bottom. He said he expected the 30-year bond to rally, pushing the yield down to 6.65 percent or 6.70 percent.

Harvey Hirschhorn, chief investment strategist at Stein, Roe & Farnham, is even more optimistic. He foresees economic growth subsiding to a trend rate and says the Fed can put off a tightening not only in March but also at its subsequent meeting in May. He predicts a U.S. economic growth rate of 2.5 percent in the first quarter and 2.0 percent in the second and third quarters.

Thailand to Aid Property Sector

Bangkok Plans Bond Issue

Reuters

PATTAYA, Thailand — Thailand has followed up moves to strengthen its financial sector by unveiling a major fund-raising plan to bail out troubled property projects and by telling some small investment houses to merge.

Rerngchai Marakanond, governor of Thailand's central bank, said the government would soon float as much as 100 billion baht ($3.85 billion) in seven-year, zero-coupon bonds to raise funds to help the property sector weather a four-year slump.

Many of the finance-company executives meeting here welcomed the plan, which would inject badly needed liquidity into non-bank financial institutions that have been threatened by nonperforming loans to the property sector.

The governor told finance companies that proceeds from the bonds, which are expected to get cabinet approval this week, would be used for refinancing indebted property projects, giving developers more time to sell real estate while the market gradually improved.

"This plan, comparing with other measures announced earlier, sounds the most practical in helping the whole industry," said Nives Hemvachiravarakorn, a senior executive vice president of Nava Finance & Securities PLC.

Mr. Rerngchai said he expected the planned zero-coupon bond issue to succeed.

The governor, backed by Finance Minister Amnuay Viravan, also told Thailand's 91 finance companies to shape up, saying he expected many of them to merge in the next few years in preparation for greater competition from larger foreign firms.

"The Bank of Thailand will set guidelines encouraging as many mergers as possible," he said. "We will use carrot and stick to induce mergers, giving them incentives, including an expanded scope of their licensed business."

Months of market concern that the property slump would bankrupt troubled finance firms exploded last week when Finance One PLC and Thai Danu Bank PLC announced a friendly merger, and the government ordered 10 finance houses to raise capital.

The government action triggered public runs on more than 15 billion baht of finance-company deposits, but withdrawals eased Friday after the central bank said it would guarantee promissory notes issued by those companies.

Boom Times Spell Further Dollar Gains

Bloomberg News

NEW YORK — The dollar will probably keep climbing this week, driven by a booming U.S. economy and the possibility of higher interest rates, according to economists and currency traders.

The latest measure of U.S. economic strength was the better-than-expected February employment report released Friday. Traders and analysts said the chances of an interest-rate increase had risen with the employment figures because the market could read the jobs report as an early indicator of inflationary pressures. The Federal Reserve Board's chairman, Alan Greenspan, said last month the central bank would consider a "pre-emptive" tightening of credit if it perceived signs of inflation.

For four days last week, the dollar pushed to 34-month highs against the Deutsche mark, rising 1.41 percent against the German currency mainly on indications that the U.S. economy was growing at a robust rate while Germany's economy lagged. "The U.S. economy appears to be the strongest in the world outside of the U.K.," while Germany's economy continues to struggle, said Robert Katz, a currency trader at MTB Bank.

Against the yen, however, the dollar will face new challenges amid concern over Japan's resurgent trade surplus and the selling of dollars as Japanese companies repatriate yen before the end of their financial year March 31, traders said.

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending March 7. Prices supplied by Telekurs.

Rnk	Name	Cpn	Maturity	Price	Yield
Argentine Peso					
189	Argentina	3.176	04/01/07	101.1500	3.2129
230	Argentina	11¾	02/12/07	101.9415	11.5300
Australian Dollar					
205	Australia	7	04/15/00	102.7880	6.8100
Austrian Schilling					
225	Austria	4⅜	02/28/02	98.7500	4.4300
British Pound					
95	Fannie Mae	6⅞	06/07/02	99.3750	6.9200
107	Bayerische LB	6⅞	06/07/02	98.5000	6.9800
112	Rose F Sec		11/16/01	100.0000	
197	Helaba Intl Fin	7⅛	12/30/02	100.5000	7.3400
Canadian Dollar					
237	Canada	7¼	06/01/03	106.5090	6.8100
Danish Krone					
6	Denmark	8	03/15/06	111.3100	7.1900
20	Denmark	8	11/15/01	111.7600	7.1600
26	Denmark	9	11/15/98	108.0000	8.3300
31	Denmark	9	11/15/00	114.3000	7.8700
35	Denmark	7	11/15/07	103.2500	6.7800
36	Denmark	7	11/10/24	97.4000	7.1900
53	Denmark	7	12/15/04	105.5300	6.6300
60	Denmark	8	05/15/03	111.8800	7.1500
66	Denmark	6	12/10/99	104.0000	5.7700
89	Denmark	7	08/15/97	101.2600	6.9100
105	Denmark	6	11/15/02	102.9500	5.8300
144	Denmark	6	02/15/99	103.5300	5.8000
161	Real Kredit	6	10/01/26	89.5000	6.7000
180	Denmark	4	02/15/00	99.5500	4.0200
209	Denmark	5	08/15/05	94.9300	5.2700
Deutsche Mark					
1	Germany	6	01/04/07	103.8421	5.7800
2	Germany	8	01/21/02	114.1825	7.0100
4	Germany	6¼	04/26/06	104.7275	5.9700
5	Germany	4¾	11/20/01	101.0617	4.7000
7	Germany	6½	10/14/05	106.7328	6.0900
9	Germany	6⅞	05/12/05	110.1725	6.2400
11	Germany	7⅛	01/03/05	112.2400	6.5700
13	Germany	5	08/20/01	102.1000	4.9000
14	Germany	6	01/05/06	104.1103	5.7600
15	Germany	6¼	01/04/24	97.5557	6.4100
16	Germany	8¼	09/20/01	115.2490	7.1600
17	Germany	5	05/21/01	102.4760	4.8800
19	Germany	3½	12/18/98	98.0893	3.5700
21	Treuhand	7½	09/09/04	112.9667	6.6400
22	Germany	8	07/22/02	114.8000	6.9700
25	Germany	6	02/16/06	102.9780	5.8300
28	Treuhand	7⅛	12/02/02	112.0633	6.5800
29	Treuhand	7¾	10/01/02	113.6933	6.8200
32	Germany	3½	09/18/98	100.0500	3.5000
33	Germany	5¾	08/22/00	105.0220	5.4800
34	Germany	5¼	02/21/01	103.3660	5.0800
37	Germany	8½	02/20/01	114.7100	7.4100
38	Germany	5⅛	11/21/00	103.0120	4.9800
39	Treuhand	6⅝	07/09/03	108.1325	6.1300
40	Germany	8¾	08/20/01	116.6500	7.5000
42	Germany	8⅞	12/20/00	115.6833	7.6700
43	Germany	7½	11/11/04	113.7420	6.5900
44	Germany	6½	03/15/00	106.2196	6.1200
45	Treuhand	7⅛	01/29/03	110.8100	6.4300
46	Germany	9	10/20/00	115.6433	7.7800
47	Germany	6¾	09/15/99	107.1400	6.3000
48	Germany	5⅞	05/15/00	104.9063	5.6000
50	Germany	6½	07/15/03	107.5400	6.0400
51	Treuhand	6⅛	03/26/98	102.8300	5.9600
52	Germany	7⅛	12/20/02	110.9020	6.4200
55	Germany	7	01/13/00	108.3100	6.4600
57	Germany	8⅜	05/21/01	114¾	7.3000
63	Treuhand	6½	04/23/03	107.6000	6.0400
65	Treuhand	6⅜	07/01/99	105.7900	6.0300
67	Germany	6	06/20/16	97.3000	6.1700
68	Treuhand	6¾	07/29/99	105.7400	5.9100
70	Germany	9	01/22/01	116.3400	7.7400
71	Treuhand	6¼	03/04/04	105.8883	5.9000
72	Treuhand	6⅞	06/11/03	109.4675	6.2800
74	Treuhand	6¾	05/13/04	108.5950	6.2200
76	Germany	6	09/15/03	105.7768	5.6700
77	Germany	5¼	02/25/98	101.7800	5.1600
80	Germany	6¾	07/15/04	109.1064	6.1900
82	Germany	5⅜	02/22/99	103.3800	5.2000
85	Treuhand	5	01/14/99	102.5400	4.8800
88	Germany	8¼	07/21/97	101.7600	8.1100
90	Treuhand	5¾	04/29/99	104.3500	5.5100
91	Germany	6¾	04/22/03	108.9900	6.1900
92	Germany	8	09/22/97	102.4500	7.8100
98	Germany	6⅛	05/20/99	105.1600	5.8200
99	Treuhand	5	12/17/98	102.4600	4.8800
100	Treuhand	6	11/12/03	105.0063	5.7100
102	Germany	8½	08/21/00	113.6275	7.4800
110	Germany	6¾	05/20/98	103.4900	6.1600
115	Germany	7¼	10/21/02	111.45	6.5100
120	Germany	6½	01/02/99	105.0200	6.1900
123	Germany	8	03/20/97	100.2000	7.9800
127	Austria	6½	01/10/24	100.4884	6.4700
128	Germany	7¾	02/21/00	110.4700	7.0200
130	Germany	5¼	10/20/98	102.7325	5.1100
131	Treuhand	7	11/25/99	108.1100	6.4700
134	Germany	6⅞	12/02/98	105.4900	6.5200
139	Germany	6⅝	01/20/98	102.7600	6.4500
141	Germany	6	02/20/98	102.4500	5.8600
146	BA Credit Card	6	11/15/05	103.5611	5.7900
151	Germany	7	12/22/97	102.8175	6.8100
154	Germany	6⅛	03/20/98	102.7900	5.9600
159	Germany	5¾	05/28/99	104.3800	5.5100
163	Germany Tbills	zero	07/18/97	98.9000	3.0600
164	Germany	5⅛	11/20/97	99.4063	5.2800
165	EIB	6	10/22/03	105.0767	5.7100
167	Germany	7¼	01/20/00	108.9800	6.6500
169	Germany	8¾	05/22/00	113.8600	7.6800
179	Germany	5¾	08/20/98	103.1800	5.5700
181	Treuhand	6⅛	06/25/98	103.3800	5.9200
184	Treuhand	5⅝	09/24/98	103.1600	5.4500
186	Mexico	8½	09/10/04	103.9000	7.8200
188	Depfa	5¼	03/04/09	97.7500	5.6206
190	Germany	6⅞	02/24/99	106.0800	6.4800
194	Germany	6¾	07/20/98	104.3200	6.4700
195	Germany	8¾	07/20/00	114.2200	7.6600
201	BadWuert L Fin	5⅛	03/05/04	99.0000	5.1800
202	Cap Credit Card	5⅝	08/15/01	103.2069	5.4500
211	Germany	6⅜	01/20/98	102.5500	6.2200
212	Germany	7¼	10/20/97	102.3500	7.0800
213	Germany	7½	10/20/97	102.6198	7.3100
221	Germany	6¼	02/20/98	102.6800	6.0900
231	Germany	2.90	04/06/00	99.6286	2.9100
244	World Bank	7⅛	04/12/05	110¼	6.4600
Dutch Guilder					
24	Netherlands	5¾	02/15/07	101.6000	5.6600
30	Netherlands	6¼	07/15/98	103.5500	6.0400
64	Netherlands	6	01/15/06	103.8000	5.7800
84	Netherlands	8½	03/15/01	114.8500	7.4000
87	Netherlands	9	01/15/01	116.20	7.7500
103	Netherlands	7½	01/15/23	115.8500	6.4700
126	Netherlands	7½	04/15/10	115⅜	6.4800
137	Netherlands	6¾	11/15/05	108.9000	6.2000
145	Netherlands	7	02/15/03	110.5500	6.3300
148	Netherlands	6½	04/15/03	107.9500	6.0200
149	Netherlands	7½	06/15/99	107.9500	6.9500
155	Netherlands	7	06/15/05	110.70	6.3200
156	Netherlands	9	05/15/00	114.40	7.8700
157	Netherlands	5¾	09/15/02	104.3500	5.5100
172	Netherlands	8¾	09/15/01	116.8700	7.4900
173	Netherlands	5¾	01/15/04	103.4000	5.5600
174	Netherlands	7¾	03/01/05	115½	6.7100
176	Netherlands	8¼	06/15/02	116.1000	7.1100
191	Netherlands	7	03/15/99	106.3500	6.5800
193	Netherlands	8¾	05/01/00	113.45	7.7100
222	Netherlands	7½	11/15/99	109.0000	6.8800
227	Netherlands	7¼	10/01/04	112¼	6.4600
228	Netherlands	8½	06/01/06	121.4500	7.0000
233	Netherlands SP	zero	01/15/23	18.45	6.7500
236	Netherlands	7¾	01/15/00	109.9000	7.0500
240	Netherlands	6¾	10/01/98	104.7500	6.4400
247	Netherlands	zero	04/29/97	99.5377	3.0100
ECU					
73	France OAT	5½	04/25/07	96.4500	5.7000
78	France OAT	7	04/25/06	109.0000	6.4200
106	France OAT	6	04/25/04	102.3100	5.8600
122	France OAT	7½	04/25/05	111.0500	6.7500
138	UK T-note	5	01/26/99	101.0450	4.9500
150	France B.T.A.N.	6	03/16/01	104.2500	5.7600
153	France OAT	8½	03/15/02	113.8400	7.4700
168	Britain	9⅛	02/21/01	116.1500	7.8600
185	Spain	zero	05/14/97	99.2104	4.1000
206	France OAT	8¼	04/25/22	119.1383	6.9200
223	France OAT	9½	04/25/00	113.8000	8.3500
229	France BTAN	5	03/16/99	101.2800	4.9400
242	Britain	8	01/27/98	103.1225	7.7600
French Franc					
116	France OAT SP	zero	04/25/23	17.2400	6.9500
117	France OAT	6¾	10/25/03	109.9000	6.1400
124	France OAT	zero	04/25/00	83.3300	5.9500
147	France OAT	7¼	04/25/06	113.0500	6.4100
162	France OAT SP	zero	10/25/19	22.2100	6.8700
214	France BTAN	4¾	04/12/99	102.1600	4.6500
216	France OAT	6½	10/25/06	107.4200	6.0500
218	France OAT	6¾	10/25/04	109.5700	6.1600
239	France B.T.A.N.	5¾	03/12/01	105.3200	5.4600
Italian Lira					
166	Italy	10½	04/01/05	116.70	9.0000
200	Italy	zero	08/29/97	95.2400	10.6400
220	Italy Ctz	zero	10/30/98	89.5670	6.9000
Japanese Yen					
175	World Bank	5¼	03/20/02	117⅛	4.4600
177	Daiwa Building	2	04/16/02	100.0167	2.0000
232	Walt Disney	5	06/21/99	106.8814	4.6800
248	Italy	0.566	07/26/99	100.5200	0.5600
249	World Bank	4¾	12/20/04	117.7870	4.0300
Spanish Peseta					
207	Spain	8.80	04/30/06	112.3250	7.8300
217	Spain	9.40	04/30/99	106.8960	8.7900
Swedish Krona					
62	Sweden	11	01/21/99	111.0470	9.9100
121	Sweden	6½	10/25/06	98.0170	6.6300
133	Sweden	5½	04/12/02	98.3150	5.5900
140	Sweden 1036	10¼	05/05/00	114.3930	8.9600
241	Sweden	10¼	05/05/03	120.6120	8.5000
246	Sweden	9	04/20/09	116.3030	7.7400
U.S. Dollar					
3	Brazil Cap S.L	4½	04/15/14	83.7320	5.3700
8	Argentina par L	5¼	03/31/23	65.5000	8.0200
10	Argentina FRN	6⅝	03/29/05	87.8019	7.5500
12	Mexico	11½	05/15/26	107.4470	10.7000
18	Argentina	11⅜	01/30/17	104.5270	10.8800
23	Brazil L	6½	04/15/06	89.0000	7.3000
27	Venezuela	6¾	03/31/20	73.7500	9.1500
41	Venezuela	6½	12/18/07	88.6900	5.7649
49	Brazil S.ZI	6½	04/15/24	80.3750	8.0900
54	Brazil S.L	6⁹⁄₁₆	04/15/12	79.8725	8.2200
56	Brazil	6½	01/01/01	97.9063	6.6400
58	Brazil par ZI	5	04/15/24	64.4063	7.7600
59	Bulgaria	6⁹⁄₁₆	07/28/11	60.4375	10.8600
61	Mexico par A	6¼	12/31/19	74.8125	8.3500
69	Mexico	9⅞	01/15/07	102.7133	9.6100
75	Ecuador	6⁷⁄₁₆	02/28/15	59.2458	3.8139
79	Mexico par B	6¼	12/31/19	74.8125	8.3500
81	Ford Mot Credit	6½	02/28/02	99.1250	6.5600
83	Mexico D	6.352	12/28/19	86.9246	7.3100
86	Brazil Cbond S.L	4½	04/15/14	86.6889	5.1900
93	Mexico	11⅜	09/15/16	106.2500	10.7100
94	Argentina	5⅝	04/01/01	125.2000	6.7295
96	Brazil	8⅞	11/05/01	100.2500	8.8500
97	World Bank	5.68	09/27/99	98.5000	5.7700
101	Mexico A	6.453	12/31/19	89.2188	7.2300
104	Brazil S.L	6⁹⁄₁₆	04/15/09	86.0000	7.6300
108	Bco Com Ext.	7¼	02/02/04	91.2500	7.9500
109	Bulgaria	6⁹⁄₁₆	07/28/24	62.5000	10.5000
111	Argentina	11	10/09/06	105.4760	10.4300
113	Russia	9¼	11/27/01	98.0000	9.4400
114	Venezuela B	6¾	03/31/20	73.7500	9.1500
118	Ecuador	6⁹⁄₁₆	02/28/25	66.5000	9.6800
119	Argentina L	6⅝	03/31/23	81.0313	7.8700
125	Poland	6½	10/27/24	97.8222	6.6400
129	Ecuador par	3¼	02/28/25	43.1250	7.5400
132	Mexico	7⅝	08/06/01	100.9300	7.5500
135	Panama	4	07/17/16	83.6563	4.7800
136	LB Rheinland	6¼	03/05/02	98.2500	6.3600
142	Mexico B	6⅝	12/31/19	89.0039	7.1600
143	Bulgaria	2¼	07/28/12	43.4375	5.1800
152	Mexico C	6⅝	12/31/19	88.9506	7.1700
158	Croatia	7	02/27/02	97.7500	7.1600
160	Canada	6⅜	07/21/05	97.8055	6.5200
170	Credit Local	6½	02/18/04	98.3750	6.6100
171	Sakura Cap	6.434	12/31/99	99.7364	6.4500
178	Sweden	6½	03/04/03	99.5000	6.5300
182	Canada	6¾	08/28/06	100.1461	6.7400
183	Poland	4	10/27/14	83.2500	4.8000
187	MBNA	5.535	08/27/14	100.1563	5.5437
192	Stand Chartered	5¾	12/31/99	85.1600	6.7500
196	EIB	7⅛	09/18/06	102.6585	6.9400
198	Finland	7⅞	07/28/04	106.3750	7.4000
199	Brazil	6	09/15/13	74.2467	8.0800
203	Bancomext	6.262	05/12/97	99.9000	6.2700
204	Discover Card	5.702	02/16/07	101.0467	5.6400
208	Nigeria	6¼	11/15/20	67.1667	9.3100
210	Poland par	3	10/27/24	56.5000	5.3100
215	Argentina	8⅜	12/20/03	95.7806	8.7400
219	Ferrovie Stato	9⅛	07/06/09	116⅞	7.8100
224	Quebec	7	01/30/07	98.7500	7.0900
226	MBL Intl Fin	3	11/30/02	101.1250	2.9700
234	Argentina	5⅛	09/01/02	109.5000	5.8856
235	Santander Fin	5.754	02/13/07	98.9671	5.8100
238	Mexico	9¾	02/06/01	103.8750	9.3900
243	Italy B	zero	01/10/01	78.0000	6.6600
245	ANZ Bking	5¾	02/28/07	99.7500	5.7600
250	Mydfa Trust	6¹¹⁄₁₆	09/15/07	91.1546	6.0960

New International Bond Issues

Compiled by Laurence Desvilettes

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
CRE Finance	$175	2002	0.62	100.00	—	Over 6-month Libor. Noncallable. Fees 0.70%. Denominations $100,000. (ING Barings.)
Fuji Finance	$450	perpt	0.90	100.00	—	Interest will be 0.90 over 6-month Libor until 2002, when issue is callable at par, thereafter 2.40 over. Fees 0.75%. Denominations $10,000. Increased from $350 million. (Goldman Sachs Intl.)
Household Consumer Loan Trust	$729.6	2007	⅛	100.00	—	Over 1-month Libor. Average life 2.4 years. Also $48 million paying ¼ over Libor and $62.4 million paying 0.35 over. Fees 0.18%. (Lehman Brothers Intl.)
Irish Permanent Building Society	$150	2002	1/32	99.943	—	Over 3-month Libor. Average life 4 years. Fees 0.125%. (UBS.)
Irish Permanent Building Society	$200	2005	0.10	99.824	—	Over 3-month Libor. Noncallable. Fees 0.20%. (UBS.)
SGZ Bank	$250	2002	libor	99.714	—	Interest will be the 3-month Libor. Noncallable. Fees 0.175%. (HSBC Markets.)
St George Bank	$500	2002	1/16	99.708	—	Over 3-month Libor. Noncallable. Fees 0.175%. Denominations $10,000. (Barclays de Zoete Wedd.)
Banca di Roma	DM300	2002	1/16	99.678	—	Over 3-month Libor. Noncallable. Fees 0.20%. (SBC Warburg.)
Sanwa Finance	Y10,000	perpt	0.70	100.00	—	Interest will be 0.70 over 6-month Libor until 2002, when issue is callable at par, 1.40 over until 2007, thereafter 2 over. Private placement in denominations of 100 million yen. Fees 0.30%. (Sanwa Intl.)
Fixed-Coupons						
Caisse d'Amortissement de la Dette Sociale	$1,000	2002	6½	101.538	99.70	Reoffered at 99.913. Noncallable. Fees 1⅞%. (Deutsche Morgan Grenfell.)
General Motors Acceptance Corp.	$200	2000	6½	101.103	99.85	Reoffered at 99.953. Noncallable. Fees 1⅛%. (SBC Warburg.)
IBM Intl Finance	$250	1999	6¼	100.902	99.95	Reoffered at 99.927. Noncallable. Fees 1⅛%. (ABN-AMRO Hoare Govett.)
Inter-American Development Bank	$1,000	2007	6⅝	99.302	98.80	Noncallable. Fees 0.325%. (Morgan Stanley Intl.)
JG Summit Philippines	$200	2004	8⅞	99.454	—	Noncallable. Fees 0.60%. (ING Barings.)
L-Bank	$400	2000	5.71	99.13	—	Semiannually. Noncallable private placement. Fees 0.20%. (Yamaichi Intl.)
Oman	$225	2002	7⅛	99.847	—	Noncallable. Fees 0.625%. (J.P. Morgan Securities.)
Suedwest LB Capital Markets	$150	2001	3¼	89.19	89.15	Noncallable. Fees 0.225%. (UBS.)
Toyota Motor Credit Corp.	$250	2000	6¼	101.0785	99.70	Reoffered at 99.891. Noncallable. Fees 1⅛%. (Merrill Lynch Intl.)
Walt Disney	$300	1999	6¼	100.794	99.75	Reoffered at 99.819. Noncallable. Fees 1⅛%. (Nomura Intl.)
European Investment Bank	DM100	2001	4½	101.315	99.30	Noncallable. Fungible with outstanding issue, raising total amount to 500 million marks. Fees 1⅞%. (CS First Boston.)
Rabobank Nederland	DM300	2001	4½	102.10	—	Reoffered at 99.85. Noncallable. Fees 2½%. (Rabobank.)
Bank Austria	£125	1999	6¾	101.0195	—	Reoffered at 99.832. Noncallable. Fees 1⅛%. (Nikko Europe.)
BGB Finance	£150	2012	8	99.253	—	Noncallable. Fees 0.50%. Denominations £10,000. (SBC Warburg.)
BOC Group	£150	2002	7¼	99.308	—	Noncallable. Fees 0.30%. (HSBC Markets.)
Commerzbank	£200	2007	7⅛	99.227	—	Noncallable. Fees 0.40%. Denominations £10,000. (Commerzbank.)
Export Development Co.	£100	1998	6	100.00	—	Noncallable private placement. Fees 0.50%. (Nikko Europe.)
Federal National Mortgage Association	£250	2001	6.43	100.00	—	Noncallable private placement. Fees 1½%. (Daiwa Europe.)
Federal National Mortgage Association	£250	2002	6⅞	99.524	—	Semiannually. Noncallable. Fungible with outstanding issue, raising total amount to £1.25 billion. Fees 0.25%. (Barclays de Zoete Wedd.)
New Zealand	£100	2000	6⅝	100.8055	—	Reoffered at 99.618. Noncallable. Fees 1⅛%. (Barclays de Zoete Wedd.)
Sainsbury (J.)	£200	2002	7¼	99.308	—	Noncallable. Fees 0.30%. (SBC Warburg.)
Venantius	£125	2002	7¼	101.495	—	Reoffered at 99.87. Noncallable. Fees 1⅞%. (Salomon Brothers Intl.)
World Bank	£300	2000	6.10	100.20	—	Semiannually. Noncallable private placement. Fees 1⅝%. (Nomura Intl.)
Bayerische Landesbank	FF1,000	2007	4	101.00	—	Interest will be 4% until 2000, thereafter TEC-10 less 0.98. Reoffered at par. Noncallable. Fees 1.325%. Denominations 1 million francs. (Lehman Brothers Intl.)
Nederland Waterschapsbank	DF300	2007	5⅞	101.535	—	Reoffered at 99.86. Noncallable. Fees 2%. (Rabobank Intl.)
European Investment Bank	SP15,000	2007	6½	100.03	99.15	Noncallable. Fees 1⅞%. (Banco Santander de Negocios.)
European Investment Bank	PTE20,000	2007	5¾	95.322	92.90	Noncallable. Issue may be redenominated in euros after EMU. Fees 2.45%. (Banco CISF.)
World Bank	SAR3,500	2017	zero	7.45	7.25	Yield 13.87%. Noncallable. Proceeds 259 million rand. Fees 0.50%. (Hambros Bank.)
Bayerische Landesbank	Y10,000	1999	1¼	101.54	—	Noncallable private placement. Fees 0.20%. Denominations 100 million yen. (Daiwa Europe.)
European Investment Bank	Y14,000	2000	5.46	100.00	—	Semiannually. Redemption at maturity will be in Australian dollars. Noncallable private placement. Fees 1.70%. (LTCB Intl.)
Italy	Y100,000	2017	3.45	99.80	—	Noncallable private placement. Fees not available. (Nikko Europe.)

The Week Ahead: World Economic Calendar, March 10-14

A schedule of this week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News.

	Asia-Pacific	Europe	Americas
Expected This Week	**Tokyo:** Foodex '97 International Exposition, featuring cooking demonstrations and food product displays. Tuesday through Friday.	**Barcelona:** Inter-American Development Bank seminars in advance of annual meeting. Thursday and Friday. **Hannover, Germany:** CeBit trade fair on telecommunications and computer industry. Starts Thursday.	**Rio de Janeiro:** Forum on sustainable development and review of progress since 1992 "Earth Summit." Starts Thursday. **Washington:** "The Outlook for Free Trade in the Americas," a forum sponsored by the Institute of the Americas. Monday and Tuesday.
Monday March 10	**Tokyo:** Wholesale price index for February; resumption of the trial of the former Sumitomo copper trader Yasuo Hamanaka. **Earnings:** Malayan Credit, Shin-Daiwa Kogyo, Toa Wool Spinning & Weaving.	**Oslo:** Consumer price index for February. **Prague:** Inflation data for February. **Earnings:** Gerry Weber International, IMI, Pentland Group, Psion, UK CMG.	**Ottawa:** New-vehicle sales for January. **Washington:** Agriculture Department to issue weekly report on planting progress for seven crops. **Earnings:** Atrix Laboratories.
Tuesday March 11	**Earnings:** Ashton Mining, Coca-Cola Amatil, Tamron, Tsurumi Soda.	**Bern:** Gross domestic product data for fourth quarter. **Jerusalem:** Foreign trade data for February. **Earnings:** Generale de Banque, Mediaset, Royal PTT Nederland.	**Washington:** Labor productivity and costs for fourth quarter and wholesale trade data for January. **Buenos Aires:** Deadline for 1996 earnings from companies whose financial years ended Dec. 31.
Wednesday March 12	**Jakarta:** Bakrie & Brothers holds extraordinary shareholders' meeting to approve sale of its Indocopper Investama stake to Nusamaba Mineral Industri. **Earnings:** Ohmori.	**Prague:** Industrial-production data for January. **Rome:** Data on trade with non-EU nations in January. **Stockholm:** Gross domestic product for fourth quarter and consumer price index for February.	**Ottawa:** New-homes price index for January. **Washington:** Summary of 12 Federal Reserve banks' surveys of regional economic activity. **Earnings:** General Mills, Toys R Us.
Thursday March 13	**Wellington:** Central bank to issue economic forecast. **Earnings:** Nakamichi Leasing, Sekiwa Real Estate, Subaru Enterprise.	**Madrid:** Inflation data for February. **Oslo:** Trade balance for February. **Earnings:** Cordiant, Kredietbank, Royale Belge, Thyssen.	**Buenos Aires:** Agriculture Department to issue report for four crops. **Washington:** Initial weekly state unemployment compensation insurance claims. Retail sales data for February. Weekly money supply. **Earnings:** Land's End.
Friday March 14	**Sydney:** Money-supply data for January. **Earnings:** Odawara Engineering, Ono Sokki, Royal, Sydney Harbour Casino Holdings.	**Helsinki:** Consumer price index for February. **Jerusalem:** Consumer and local-industry wholesale price indexes for February. **Earnings:** Creditanstalt Investment Bank, Heineken.	**Ann Arbor, Michigan:** University of Michigan to issue index of consumer sentiment for March. **Washington:** Producer price index for February; business inventories and sales data for January.

Last Week's Markets

Stock Indexes

	March 7	Feb. 28	% Ch'ge
United States			
DJ Indus.	7,000.89	6,877.74	+1.79
DJ Util.	226.66	227.29	−0.28
DJ Trans.	2,447.86	2,317.01	+5.65
S & P 100	779.45	768.54	+1.42
S & P 500	804.11	790.82	+1.68
S & P Ind	935.07	923.93	+1.21
NYSE Cp	423.46	415.51	+1.91
Nasdaq Cp	1,310.95	1,309.00	+0.15
Japan			
Nikkei 225	18,198.74	18,557.00	−1.93
Britain			
FTSE 100	4,420.30	4,308.30	+2.60
Canada			
TSE Indus.	6,263.90	6,154.20	+1.78
France			
CAC 40	2,708.28	2,607.55	+3.86
Germany			
DAX	3,376.20	3,259.64	+3.58
Hong Kong			
Hang Seng	13,337.35	13,398.72	−0.46
World			
MSCIP	840.19	843.73	−0.42

World Index from Morgan Stanley Capital Intl Perspective.

Money Rates

	March 7	Feb. 28
United States		
Discount rate	5.00	5.00
Prime rate	8¼	8¼
Federal funds rate	5¼	5⅛
Japan		
Discount	0.50	0.50
Call money	0.42	0.47
3-month interbank	0.56	0.56
Britain		
Bank base rate	6.00	6.00
Call money	6⅛	6.00
3-month interbank	6⅛	6³⁄₁₆
France		
Intervention rate	3.10	3.10
Call money	3⅛	3¼
3-month interbank	3⅛	3¼
Germany		
Lombard	4.50	4.50
Call money	3.12	3.15
3-month interbank	3.25	3.25

Gold	March 7	Feb. 28	% Ch'ge
London p.m. fix $	350.30	358.60	-2.31

Euromarts

Eurobond Yields

	Mar 7	Feb. 28	Yr high	Yr low
U.S. $, long term	6.74	6.65	6.79	6.53
U.S. $, mdm term	6.43	6.28	6.43	6.10
U.S. $, short term	6.19	6.00	6.19	5.96
Pounds sterling	7.23	7.09	7.62	7.09
French francs	4.74	4.70	4.98	4.66
Italian lire	7.53	7.19	7.53	6.98
Danish kroner	5.50	5.41	5.72	5.38
Swedish kronor	5.13	4.97	5.19	4.82
ECUs, long term	5.95	5.77	6.19	5.96
ECUs, mdm term	4.84	4.79	5.04	4.76
Can. $	5.95	5.77	6.08	5.70
Aus. $	7.55	7.32	7.55	7.11
N.Z. $	7.97	7.55	7.98	7.19
Yen	1.71	1.71	1.94	1.70

Source: Luxembourg stock exchange.

Weekly Sales

March 6

Primary Market

	Cedel Bk $	Cedel Bk Non$	Euroclear $	Euroclear Non$
Straights	257.9	759.1	1,646.5	2,234.0
Convert.	—	0.3	21.0	176.4
FRNs	1,330.6	420.3	901.2	515.6
ECP	12,114.6	9,104.8	12,304.8	10,218.4
Total	13,703.1	10,284.5	14,873.5	13,144.4

Secondary Market

	Cedel Bk $	Cedel Bk Non$	Euroclear $	Euroclear Non$
Straights	28,549.5	22,016.4	113,146.1	34,123.4
Convert.	812.6	581.2	3,086.6	2,215.5
FRNs	17,254.8	8,671.9	64,591.6	8,236.8
ECP	19,096.9	14,825.9	25,861.7	30,097.0
Total	65,713.8	46,095.4	206,686.	75,172.7

Source: Euroclear, Cedel Bank.

Libor Rates

	1-month	3-month	6-month
U.S. $	5⅜	5⁹⁄₁₆	5¾
Deutsche mark	3¼	3¼	3⅜
Pound sterling	6⅛	6⅛	6¼
French franc	3⅛	3⅛	3⅜
ECU	4⅛	4⅛	4¼
Yen	⅝	⅝	⅝

Sources: Lloyds Bank, Reuters.

DID YOU MISS A DAY THIS WEEK?
This past week's front pages are available for viewing on the IHT site on the World Wide Web.
http://www.iht.com

Herald INTERNATIONAL Tribune
BUSINESS/FINANCE
MONDAY, MARCH 10, 1997

INTERNATIONAL FUNDS LISTING
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Bequests Demonstrate The Rich Are Different

They Often Leave a Pittance to the Help

By David J. Morrow
New York Times Service

NEW YORK — When Harry Helmsley, the New York real-estate mogul, died in January, he left a $1.7 billion estate and a reputation of being golden-hearted — at least compared with his wife, Leona.

But he left Ceil Fried, his longtime secretary, only $25,000 — a minuscule reward for decades of dictation, menial tasks and juggling one of the world's busiest social schedules.

At least Ms. Fried got something. Pamela Harriman, the international socialite and ambassador to France who died in February, cut Janet Howard, her personal assistant of 16 years, out of her will after the two quarreled over money, people close to Mrs. Harriman have said. And she twisted the knife, not only making $20,000 bequests to two gardeners, a cook and a chauffeur, but also leaving half her estate to a daughter-in-law estranged from her son.

These slights from the grave have raised the eyebrows of estate lawyers and the anger of many of the 2.6 million executive assistants, personal secretaries and other servants of rich and powerful Americans.

And it raises a question: Do secretaries and personal assistants, who may have spent their entire careers working for one person, have any legal claim to their bosses' estates? Are they merely wage-earners, or are they crucial decision-makers whose selfless devotion was a factor in increasing their patrons' wealth or public standing?

Neither Ms. Fried nor Ms. Howard would comment on the financial brushoffs they got from their former bosses. But conversations with the former top assistants to some of the most formidable personalities of recent American history, most of them now dead, help explain why some people put up with lifetimes of toil with only faint hope of ever getting a big payoff.

Executive assistants point to their responsibilities and years of service as cause for inclusion in their bosses' wills. Many estate lawyers agree, believing that a bequest serves as an employee bonus and an act of good will.

"It's common today for wealthy employers — chief executives and celebrities — to leave their longtime employees some form of a bequest," said Don Howarth, a partner at Howarth & Smith, the Los Angeles law firm that drew up one of the last wills of Doris Duke, the billionaire tobacco heiress. "It is regarded as a bonus, sort of a final severance. What you don't want is for the bequest to be taken as a slap in the face if it's too small."

Many estate lawyers believe that longtime assistants deserve an inheritance of at least two years' salary from their bosses, and more if the service has been especially complicated.

For all their pains during their bosses' lifetime, the servants of the high and mighty rarely get rich. Their salaries today are generally in the $40,000-to-$60,000 range.

John Minary, who was executive assistant to William Paley during the executive's years as chairman of CBS Inc., not only worked without health insurance for three decades, he said he never saw a single share of CBS stock and rarely received a gift.

"Sometimes they're fun to work with and sometimes they're not," Mr. Minary said, summing up the experience of serving the mighty. "Mr. Paley was great fun, but that didn't help relieve the boredom on those days I had to prepare menial reports for him."

But if Mr. Minary had days of drudgery, he also enjoyed tremenous power in the Paley household. He oversaw the family finances, and biographers said he occasionally tangled with Mr. Paley's wife, Babe, over how much she could spend on Christmas presents. "Anything he needed me to do, I did," Mr. Minary said. Mr. Minary died last month, shortly after he was interviewed for this article; Mr. Paley died in 1990.

While it is unusual for employees to inherit a windfall, it does occur, usually when the boss is childless or squabbling with relatives.

For years, estate lawyers believed that employees who were included in wills were a random lot, but this may not be the case: Bosses who write wills when they are dying are much more likely to include their employees, lawyers say. John F. Kennedy, for instance, did not update his will during his presidency, and thus excluded his longtime secretary, Evelyn Lincoln. But Jacqueline Kennedy Onassis, who died in 1994 after a long battle against cancer, rewrote her will in her final months and left $250,000 to her assistant, Nancy Tuckerman; $50,000 to her private White House maid, Providencia Paredes, and $25,000 each to several other employees.

Whether or not the deceased is inclined to be generous, excluding longtime assistants from a will may not be wise, lawyers advise, because then they might make claims. Several former employees of Jerry Garcia, leader of the Grateful Dead rock band, who died in 1995, are seeking chunks of his multimillion-dollar estate, including his acupuncturist, trainer, personal manager and former housekeeper.

Most, however, have a slim chance of winning. "It's definitely possible the employee could win a claim against a will," said Herbert Nass, a Manhattan trust and estate lawyer and author of "Wills of the Rich and Famous." But, he added, "it helps the case greatly if there was some written document or some intention that was understood."

The Ultimate in Severance Pay

Most estate lawyers advise wealthy clients to bestow posthumous gifts on their employees. But not all of them do. Here is how some who served the rich have fared over the years. Figures are not adjusted for inflation.

Benefactor	Employee	Bequest	Percent of estimated estate value
Bette Davis	Kathryn Sermak, *personal secretary*	$ 400,000*	50.000%
Jacqueline Onassis	Nancy Tuckerman, *personal secretary*	250,000	0.572
Doris Duke	Bernard Lafferty, *butler*	5,500,000†	0.458
Pamela Harriman	William Hoogeveen, Earl Loy, *gardeners*, Patti Stafford, *cook*, Habib Ahmed, *chauffeur*	20,000 (each)	0.200
Charles Revson	Katherine Lowery, *governess*	210,000	0.175
Harry S. Truman	Rose Conway, *secretary*	1,000	0.134
Jacqueline Onassis	Providencia Paredes, *White House personal maid*	50,000	0.114
Pamela Harriman	Clive Whittingham, *butler*	10,000	0.100
William Paley	John Minary, *personal assistant*	100,000	0.020
Lyndon B. Johnson	Marie Fehmer, Dorothy Nichols, Mary Rather, Juanita Roberts, *secretaries*	3,000 (each)	0.015

*Total estate estimated at $800,000 to $1 million, †Executor's fees.
Sources: Herbert E. Nass, individual wills
The New York Times

German 'Wise Man' Casts Doubt on EMU

Bonn Will Miss Targets, He Says

Reuters

BONN — Doubts that Germany will make the grade for European monetary union gained new force over the weekend when a top government adviser called for a delay and a leading research institute cut its growth forecast.

Herbert Hax, head of the so-called five wise men, an economic advisory panel, said Germany would probably miss targets set by the Maastricht treaty for its annual budget deficit and overall public debt this year. But Chancellor Helmut Kohl, disputing the forecast, said Germany would meet its commitments.

In one of the most forthright criticisms by a senior German adviser so far, Mr. Hax said Bonn should put off joining the common currency until its financial house was in order.

"The truth is quite simple: Stability comes before the timetable," Mr. Hax told the newspaper Bild am Sonntag.

Finance Minister Theo Waigel has pledged to cut the budget deficit this year to below the limit of 3 percent of gross domestic product stipulated for membership in the single currency.

"The government forecast is 2.9 percent, but there are others who predict over 3 percent," Mr. Hax said, according to the newspaper. "If you take the stability criteria seriously, Germany will probably not be able to introduce the euro as planned in 1999."

He also said Germany would probably overstep the EMU public debt target of 60 percent of GDP in 1997.

A Finance Ministry spokesman said it was too early to judge whether Germany or other EU countries would be able to join EMU.

Mr. Hax's comments carry weight because the forecasts of the politically independent wise men underpin government budget planning. The group in November forecast a deficit this year of 3.3 percent of GDP, down from 3.8 percent for 1996.

Mr. Waigel's budget assumes economic growth of 2.5 percent — but that forecast received a blow Saturday after another of Germany's top-ranking economic research groups knocked a half-point off its GDP growth forecast.

The magazine Focus said the institute known the IWH as had cut its growth forecast to 2 percent because of the economy's stagnation in the final quarter of 1996. The IWH is the second top think tank to cut its growth forecast to 2 percent, but a third, the IFW institute, said it expected the government growth forecast to be met. Still, the IFW predicted a deficit equal to 3.5 percent of GDP.

Although unemployment is expected to fall during the spring, lower tax revenue and extra costs related to jobless benefits are already tipping the fiscal arithmetic against Mr. Waigel.

Mr. Hax said Germany and the EU had to make it clear whether they intended to make use of the leeway offered by Maastricht or to put off monetary union until state finances were in better shape.

"Either you loosen the criteria, and you have to say so now, or Germany will have to get ready for the euro later," he said. "Unfortunately, the politicians have turned the possibility of a delay into a taboo."

"Germany and a group of other countries will probably not fulfill the convergence criteria before 1998; only after that can the euro be introduced in all these countries," Mr. Hax added.

That would mean that the euro would be launched in 2000. "That would be better than if four or five countries march ahead," Mr. Hax said.

Chancellor Helmut Kohl countered Mr. Hax's remarks, saying Germany would fulfill the criteria for European monetary union and that the single currency would be launched as planned in 1999. "We will stick to both the agreed start date and the convergence criteria," he said in a speech Saturday to delegates to a tourism fair in Berlin.

■ Dini Sees No Risk of Delay

Foreign Minister Lamberto Dini of Italy said he saw no risk of a delay to the planned 1999 start of economic and monetary union, but he did not rule out a delay to the decision on who should qualify, Reuters reported from Venice.

"Toward the end of the year, we will be in a position to see whether the decisions on which countries will participate from the start will need to be put back a bit," Mr. Dini said Saturday.

Cuba's Economic 'Boom' Is Not All That Apparent

Cuba is among the world's last Communist countries, and, despite its desperate economic straits, the odds are that it won't change soon.

"The system is here to stay; we don't want and we don't need to change," said Joaquim Oramos, a journalist with Granma, the Communist Party newspaper. He said Fidel Castro's modest reforms, which include the slightly liberal 1995 foreign-investment law and measures that allow Cubans to run restaurants and drive taxis — and earn dollars — are aimed at sustaining the system, not undermining it.

He admitted that they had been born of necessity after the collapse of the Soviet Union, which formerly bankrolled the Cuban system.

Mr. Oramos said a democratic system would not have been able to withstand the U.S. blockade of Cuba that had persisted since the beginning of the 1960s.

The official line is that Mr. Castro's reforms have encouraged interest among would-be investors, especially in tourism and agricultural processing. With more than 250 joint ventures registered, Cuba's largest investments to date — by Mexico in the phone company and Canada in nickel processing — will soon be surpassed in size, officials say.

"The economy is booming," said Amadeo Blanco, deputy president of Canas, a body set up to mediate between foreign investors and the government. He pointed to government figures for 1996 that showed gross domestic product expanding 7.8 percent.

"When investors come here and look around, they are impressed, and say, 'To hell with Helms-Burton,'" he said, referring to the U.S. law aimed at penalizing foreign companies that do business with Cuba.

Troubles for Tourists

For a country that expects tourism to be its cash cow, Cuba has a thing or two to learn. It isn't just the overcharging that irks — tourists often pay 40 times as much as locals — it is that its economic crisis makes being a tourist grim.

Want to visit, for history's sake, the Museum of the Revolution, housed in what was once the presidential palace of the dictator Fulgencio Battista?

Don't, because you will be charged the local equivalent of a week's pay.

Want to see the aquarium or the zoo?

Don't bother: Most of the exhibits are dead because there hasn't been enough money for feed. Want to rent a car? Don't, unless you want to pay $150 a day for an old, midrange European car, because all the cheaper ones need parts, thanks, apparently, to Helms-Burton.

Still, at the end of 1996, Cuba, which until 1959 was *the* Caribbean destination, welcomed its millionth tourist for the year, a post-revolution record. It promises that investors, unable to resist the country's tropical allure, will soon follow the lead of Spain's Sol Melia Group, whose hotel is Havana's nicest.

A Long Way to Go

Little of Cuba's supposedly dynamic growth seems to have trickled down to ordinary Cubans, who often rail at the inequities of a dual economy.

Some of them have access to dollars — and can thus find (imported) things to buy — others do not. A fuel shortage has bitten hard, making prices prohibitive to most locals. Public transport is rare, also because of the shortage of spare parts.

Posted slogans read *Venceremos!* (We Will Win!) — and *Socialismo o Muerte* (Socialism or Death). But a taxi driver offered his own perspective on the latter one. "For Fidel, maybe," he said. "For us, socialism *is* death!"

Justin Keay

$10.3 Billion Deal With CSX Opens Way for Conrail Breakup

Compiled by Our Staff From Dispatches

PHILADELPHIA — Conrail Inc. and CSX Corp. have reached agreement on a revised $10.3 billion deal, in a move that sets the stage for a final breakup of Conrail after a bitter takeover battle.

The revised deal would pay Conrail shareholders $115 a share in cash within 90 days and allow CSX and Norfolk Southern Corp. to negotiate a division of Conrail's assets.

The agreement means that Norfolk Southern will drop its fight against a CSX-Conrail merger and that the rival suitors will split Philadelphia-based Conrail between them, thwarting CSX's bid to acquire Conrail alone and keep it intact. The announcement of the deal came late Friday after a Conrail board meeting.

It formalized the end of the sometimes emotional struggle by Conrail's chairman, David LeVan, to keep intact the railroad that was formed by the federal government in 1976 from six bankrupt Northeastern U.S. railroads.

"Conrail's board and management would have preferred for the Conrail system to remain intact," Mr. LeVan said in a statement released late Friday. However, under the circumstances as they developed, we have succeeded in negotiating the best possible transaction for all of Conrail's constituencies."

Conrail announced an $8.4 billion cash and stock merger with CSX in October. But Norfolk Southern, with deeper pockets, soon launched its own bid for Conrail, seeking to prevent Conrail's monopoly on lucrative Northeastern U.S. rail routes from falling to a competitor.

In January, Conrail shareholders rejected an increased CSX offer that still fell short of Norfolk Southern's all-cash bid of $115 a share.

The resulting stalemate was not broken until Norfolk Southern approached CSX with a plan to divide Conrail. That plan, presented Feb. 24, was accepted by all parties as the basis for dividing Conrail. Norfolk Southern said Friday.

Norfolk Southern and CSX said they would enter talks on completing a joint purchase of Conrail shares and other details. *(Reuters, Bloomberg)*

CYBERSCAPE

Internet Firms Gather in a Blue Period

Bloomberg News

LOS ANGELES — The information highway is not paved with gold. Most of the more than 600 companies gathering this week for the Spring Internet World conference in Los Angeles, including AT&T Corp., Wired Ventures Inc. and C/Net Inc., have yet to make money on their on-line businesses, and investors have soured, at least temporarily, on initial public offerings for Internet content providers.

Hundreds of smaller Web-site developers will get out of the business or be bought over the next year, analysts predict, as such well-capitalized companies as Microsoft Corp. and Walt Disney Co. strengthen their on-line grip.

"A few years ago, you could start an on-line business with just a credit card and an expense report," said Dan Rosenbaum, editor of Mecklermedia Corp.'s Internet Shopper magazine. "Those days are gone."

As many as one-third of the Internet's roughly 300,000 commercial sites could disappear in the next year, said Gary Arlen, president of Arlen Communications, a new-media research firm.

"The business is very sober now," he said.

Internet companies have had some big wake-up calls. Politics Now, a Web site run by The Washington Post, ABC and the National Journal, shut down recently. AT&T has pulled the plug on some so-called content ventures, such as a health site on the Web.

Wired Ventures, publisher of Wired magazine, canceled an initial public offering and said last month that it would drop the British version of the magazine.

Apple Computer Inc., whose chairman, Gilbert Amelio, will address the Internet World gathering Wednesday, has had its own problems, including a dwindling market share. Mr. Amelio plans to outline on Friday how many people the company will lay off and give details about a planned restructuring.

But growth remains in the market. Among highlights at the conference, which runs through Friday, America Online Inc. is to unveil versions of its service, along with products making it easier for subscribers to design Web sites.

Digital Equipment Co. will demonstrate software that allows users to send voice electronic mail on the Internet.

■ New Microsoft Flaw

Another security flaw has turned up in Microsoft's Internet Explorer browser. The Associated Press reported from Seattle. Like one found last week, it could let a Web-site operator to wreak havoc in another person's computer.

This second defect would allow the operator to run programs secretly on another computer, send e-mail under someone else's name, severely damage software stored on a hard drive or wipe out the hard drive altogether.

"Scary, isn't it?" said Dan Kusnetzky, director of the client-server environments program at International Data Corp., after hearing a technical description of the flaw, which was discovered by a University of Maryland student.

The most dangerous aspect of this second bug in Internet Explorer 3.0 is for users running Windows NT 4.0 with Service Pack 1 or 2 who are not protected by "firewalls," or computer security barriers typically used by large businesses to prevent unauthorized entry through cyberspace.

That makes it a much more narrow problem than earlier glitch, found in Internet Explorer versions 3.0 and 3.01 for the Windows 95 and Windows NT 4.0 operating systems.

Mr. Kusnetzky said the maximum possible number of machines from which someone could take advantage of the second flaw was 500,000 to 750,000; the maximum number for the earlier problem topped 48 million machines.

The second bug would allow a malicious operator to put an innocuous-looking icon or graphic on a Web page that, if double-clicked, would activate a damaging program or virus capable of bypassing security measures and secretly entering a personal computer.

Internet address: CyberScape@iht.com

CURRENCY RATES

March 7

Cross Rates

	$	£	DM	FF	Lire	DFl	BF	SF	Yen	C$	Peseta
Amsterdam	1.9555	3.1875	1.1263	0.3268	0.1137*	—	5.459*	1.3035	1.5075*	1.415	1.37*
Brussels	35.3325	56.82	20.4325	5.9066	2.0555*	18.315	—	23.99	0.2922	25.62	24.45*
Frankfurt	1.7149	2.7548	—	0.2966	0.1009*	0.8879	4.8474*	1.1592	1.455*	1.2568	1.1913*
London (a)	1.6047	—	2.7583	9.206	2.7232*	75.15	41.1032	98.143	119.76*	106.126	—
Madrid	145.212	233.109	84.647	25.101	8.539*	6.6755	40.811	3,157.35	13.998	1,243.55	11.738
Milan	1,698.60	2,729.50	991.70	293.94	—	881.47	468.31	1,161.75	13.998	1,243.55	11.738
New York (b)	—	1.6039*	1.714	5.701	1,705.00	1.5002	35.36	1.48	121.90	1.3691	145.30
Paris	5.785	9.2865	3.3722	—	0.3402*	2.9939	0.1635	3.9099	4.7712*	4.2279	3.984*
Tokyo	121.40	195.93	70.67	20.96	0.715	62.76	3.4274	81.95	—	89.01	0.8359
Toronto	1.3686	2.1952	0.798	0.2366	0.0803*	0.7086	0.387*	0.925	1.1234*	—	0.942*
Zurich	1.4525	2.3314	0.8632	0.256	0.087*	0.7663	4.1032*	—	1.2767*	1.063	1.0191*
1 ECU	1.1795	1.8938	1.9547	6.5918	1,937.65	2.2018	40.3255	1.686	138.16	1.5591	165.461
1 SDR	1.3747	0.8536	2.3624	7.9707	2,350.61	2.6539	48.7483	2.0442	167.443	0.757	199.887

*Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York and Toronto rates at 4p.m.
a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9988	Greek drac.	269.52	Mex. peso	8.025	S. Afr. rand	4.461
Australian $	1.2682	Hong Kong $	7.7424	N. Zealand $	1.4188	S. Kor. won	869.40
Austrian sch.	12.101	Hung. forint	177.97	Norw. krone	6.9345	Swed. krona	7.6876
Brazil real	1.0526	Indian rupee	35.85	Phil. peso	26.31	Taiwan $	27.50
Chinese yuan	8.3257	Indo. rupiah	2394.9	Polish zloty	3.09	Thai baht	25.95
Czech koruna	29.57	Irish £	0.6437	Port. escudo	172.51	Turkish lira	124080
Danish krone	6.5565	Israeli shek.	3.3635	Russ ruble	5684.0	UAE dirham	3.6705
Egypt. pound	3.3943	Kuw dinar	0.3038	Saudi riyal	3.7498	Venez. bolív.	477.50
Fin. markka	5.1309	Malay. ring.	2.4813	Sing. $	1.433		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6055	1.6045	1.6036	Japanese yen	121.13	120.60	120.09
Canadian dollar	1.3659	1.3630	1.3604	Swiss franc	1.4808	1.4761	1.4714
Deutsche mark	1.7170	1.7135	1.7103				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

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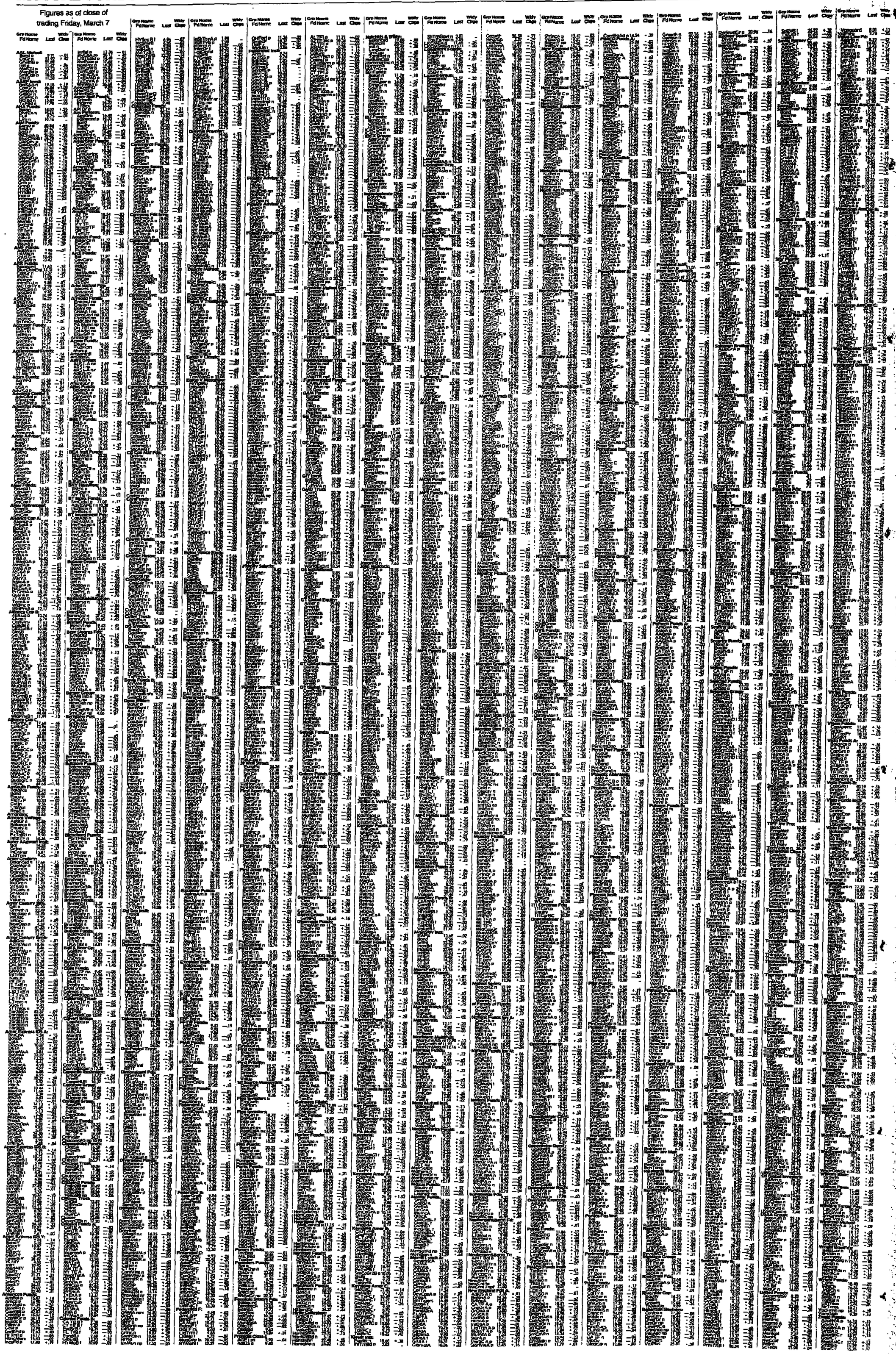
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MUTUAL FUNDS

Figures as of close of trading Friday, March 7



هكذا من الأصل

Casino Investors to Trump: Just Tell Us the Odds

By James Sterngold
New York Times Service

NEW YORK — When you approach a gambling table, you know the odds are stacked against you, and you play with a pretty clear idea of what you are up against. Should it be any different when playing a gambling stock?

That is a question that investors in Donald Trump's gambling company, Trump Hotels & Casino Resorts Inc., have been contemplating. The stock has taken a shellacking, and the prospects for a turnaround are slim, analysts say, because the company lacks credibility after failing to meet optimistic projections.

The stock is trading at less than one-third of its price 10 months ago — it closed at $9.75 Friday, compared with a peak of nearly $35 in May 1996 — raising the question of

INVESTING

whether it is now a good buy simply because of this precipitous drop.

Some may wonder why investors and analysts are steering clear of a company that others say may be poised for a turnaround and is pretty well managed.

Here is why: Casino stocks have been hit hard in the past year, largely because important markets are either awash in riverboat casinos, as in the Midwest, or have shown scant revenue growth, as in Atlantic City, New Jersey.

Mr. Trump's company is focused on Atlantic City, which has also been hurt by casino expansions and fierce promotional wars. This is in contrast to robust gains there just a year earlier. Those gains may have been "an aberration," Bruce Turner, an analyst with Salomon Brothers, said, but he added: "We have no expectation yet that the market is going to bounce back soon. There's just no growth."

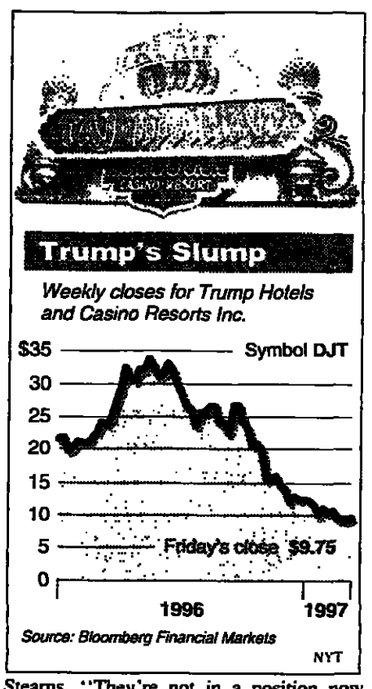
Consider the revenue of the Trump Plaza casino, one of the company's properties. The house's winnings plunged 18 percent last year, to an average of $232.28 for each slot machine or seat at a gambling table. Revenue at another property, Trump Castle, fell 10 percent, to $250.6 million.

Not surprisingly, an index of gambling stocks calculated by Bear, Stearns & Co. has dropped 25 percent from its peak in June 1996, a period in which the overall stock market rose smartly.

But the decline is modest compared with the roughly 70 percent fall in Trump shares. Some refer to this difference as "the Donald discount," based on the fact that Mr. Trump forecast huge revenue increases early last year that did not materialize.

For instance, Mr. Trump said several times last year that his new riverboat in Gary, Indiana, near Chicago, would generate $100 million a year in revenue. Yet for the six months it operated in 1996, it produced a little more than $20 million.

"Any time you have a situation where a company makes very bold projections and doesn't meet them, you have a credibility issue," said Jason Ader, an analyst with Bear Stearns. "They're not in a position now where they can tell the market they have a plan and know how to execute it."



Nicholas Ribis, chief executive of Trump Hotels & Casino Resorts, complained that the problem was not rosy projections but the fall-off in Atlantic City.

"The market was disappointed in us, and we're disappointed in ourselves," he said. He added: "The basics of the company are great. Our performance in the first quarter, I can assure you, is going to exceed analysts' projections."

But Steve Ruggiero, a bond analyst with Chase Securities, is skeptical. "The biggest problem is they aren't forthcoming with all the analysts," he said. "It raises suspicions."

Mr. Ruggiero was quick to add that the company's bonds seemed like a good investment, particularly mortgage bonds on the Trump Plaza, which currently yield about 11.4 percent. But the company's openness is an issue even with this investment.

"The whole point is, we think the bonds trade inefficiently because of the lack of information from the company," Mr. Ruggiero said. Investors have been skeptical of the gambling company for other reasons, too. Last October, Mr. Trump angered investors by selling the Trump Castle, which he owned personally, to his public company, of which he owns about 40 percent of the stock, for $490 million.

Some analysts complained that the sale was taking place at the top of the market, was based on optimistic profit projections and was about $100 million too high. The deal went through — and the stock quickly lost about 30 percent of its value.

Cablevision Deal Riles Some Big Stockholders

By Geraldine Fabrikant
New York Times Service

NEW YORK — No matter how pleased Charles Dolan, chairman of Cablevision System Corp., is that his company has agreed to pay ITT Corp. $650 million and assume debt of $115 million for the half of Madison Square Garden that it does not already own, some key Cablevision shareholders are angry.

They contend that with cable operators under pressure to slash debt and increase profits, Cablevision — one of the industry's most highly leveraged companies — is going in the opposite direction.

Gordon Crawford, a senior vice president at Capital Research & Management Group, whose funds own 1.5 million shares, or 11 percent, of Cablevision's Class A stock, said, "While Madison Square Garden and the teams are a very good asset, Cablevision is paying an extraordinary price and further leveraging an already overleveraged balance sheet."

Referring to Mr. Dolan, he said, "Chuck continues to spend money as if he had it."

In a similar vein, Richard Weiss, a portfolio manager at Strong Capital Management, whose funds own about 300,000 shares, or about 2.5 percent, of the stock, said: "I think the deal is absolutely ridiculous. Here is a company that is destroying value right and left. The stock has gone down faster than they have destroyed value, but they are working hard to catch up."

Cablevision's shares lost 25 cents Friday, closing at $33.375, down from $60 a year earlier. The two portfolio managers, who are rarely so outspoken on specific deals, were referring to Cablevision's $3.9 billion in debt and preferred stock. With 1996 cash flow of $450 million, its debt-to-cash-flow ratio was more than 8 to 1, far higher than even that of Tele-Communications Inc., one of the industry's most highly leveraged and widely criticized companies.

Chris Dixon, a media analyst at PaineWebber, said that when even John Malone, chairman of Tele-Communications, was "looking to his balance sheet to free up capital, here is another transaction that is going 180 degrees opposite to the current demands of Wall Street."

The institutional shareholders were not certain what steps, if any, they might take. Mr. Dolan and Dolan family interests control Cablevision because they own almost all the 13 million Class B shares that have 10 votes each.

The 13 million Class A shares, with one vote each, are owned by the public, and not all outside shareholders are unhappy.

Mario Gabelli, whose Gabelli funds are a major shareholder in the company, said he felt the strategic value of the deal, which gave Cablevision so much control over New York sports teams, was a benefit for the company.

John Reidy, an analyst at Smith Barney Inc., said: "New Yorkers have been lucky to get all the Ranger and Knicks games as part of a typical basic cable package. Ultimately it is only rational that if you want more sports, you will have to pay more than somebody who does not want it."

In response to criticism, Mr. Dolan said he was "building asset value" and said, "I don't think the price of the stock is always the best measure in the near term." He added: "It makes more sense for me to make investments in programming than in other areas. We are a programming company."

Cablevision, America's sixth-largest cable operator, has said it plans to sell off about 475,000 of its 2.8 million cable subscribers.

MERGER: *Italian Powerhouses to Pool Resources, Giving Europe's Fashion Industry a Makeover*

Continued from Page 1

important role in forthcoming privatizations, especially STET-Telecom," Mr. Cerfeda was quoted saying over the weekend.

The new entity will be run by Maurizio Romiti, a Mediobanca executive who is the son of Cesare Romiti, president of Fiat.

Fiat and Mediobanca were stopped a little more than a year ago in a previous effort to create a conglomerate that would have combined the Rizzoli Corriere della Sera group and other assets of the Fiat-controlled Gemina group with the Ferruzzi chemicals and agriculture group. That deal foundered amid complaints from minority shareholders, an investigation of Gemina executives by Milan prosecutors and problems with Italian stock-market regulators.

At a news conference Saturday in Milan, Maurizio Romiti said: "Today's is a different deal. In some ways it is a simpler one with a greater industrial emphasis."

Other commentators were more pointed. "They tried to do something like this with Gemina, but it did not work because it did not make much sense," Anthony Mannaura, of the stock brokerage Milla and Co. told The Associated Press. "At least now they seem to have an industry-specific idea in mind."

Maurizio Romiti said Saturday the new group would focus on textiles and publishing. "These are different but not antithetical sectors," he said. He added that in the past, the owners of the Corriere della Sera group had also controlled textile interests.

Gruppo Marzotto is a leading Italian textile and apparel exporter, with consolidated sales that last year amounted to 2.2 trillion lire. Its clothing brands include women's and men's lines for designers Gianfranco Ferre and Missoni, as well as Hugo Boss and Marlboro Classics sportwear.

The new group, through its Fiat parentage, will contain Gemina's fashion empire, the most celebrated part of which is Gruppo Finanziario Tessile, or GFT. It spotted early on the potential in designer labels and in the 1980s was instrumental in building the empires of Armani, Emanuel Ungaro and Valentino. Armani is the cash cow of the designer operations, some of which are believed to be losing money.

Maurizio Romiti said Saturday that Armani's licenses represented 420 billion lire a year and accounted for 30 percent of GFT's licensed designer lines, which is 55 percent of GFT's total business.

Pino Brusone, managing director of Armani, said Sunday, as the designer was preparing to show his fall-winter collection, that discussions were continuing about the renewal of the men's and women's contracts, and that it was possible that Armani would decide to manufacture these lines through its own factories, as it did with its jeans and Emporio Armani lines. GFT business accounted for only 20 percent of Armani's 2.2 trillion lire sales.

"We feel positive about this huge new clothing company," he said, "but it is a strategic decision whether to renew the contracts, and that decision has not yet been taken."

Another Armani executive said his company was concerned that the "huge juggernaut" represented by the new group might be unwieldy and slower to respond to demands of the ever-changing fashion business. He said Armani favored smaller manufacturing units to control quality.

The Marzotto merger was perceived by Armani as a maneuver in the global financial market, rather than a response to any industry need for a clothing giant, according to company executives.

Other industry sources expressed anxieties that the merger and subsequent trimming of the work force would make Gruppo Marzotto a tough competitor, at a time when a strong lire was already forcing fashion companies to reduce their margins in order to keep up export levels. They were also concerned that Marzotto's huge vertically-integrated operation, from yarn to fashion store, would wield enormous power and might flatten smaller businesses.

But Santo Versace, manager of the Gianni Versace company, saw the Marzotto deal as positive for the industry. "It is the way of the future to have these big groups, but it all depends on their strategy," he said. "Pietro Marzotto is a fantastic manager, and if the operation is in his hands, it will be good for the business."

JAPAN: *Letting Go of the Past*

Continued from Page 1

line in 40 years, to shake up three established carriers.

Nothing happens overnight in Japan; the country is still far from being a free-market economy. The government continues, for example, to protect ailing big banks that many other countries would close.

Still, the changes hold the potential to put a new face on the country in its economic relationship with the world.

Ordinary Japanese view the changes with a mixture of apprehension and hope. For years, they basked under their country's reputation as the world's economic model. Now many of them are anxious to break out of a system in which prices are too high, banks are unstable, the stock market keeps dropping and jobs are going overseas.

Sitting with his wife in a restaurant, Yasushi Noda, a camera shop owner, was emphatic that the old system would not work anymore.

"I think Japan should go through deregulation," he said. "It is absolutely necessary. It's no good that certain industries are protected and that the government is interfering with the management of companies and the economy."

Ushio Gomi, a medical equipment salesman, said foreign competition had made his job tougher, "but personally I think it's good. Globalization will make our companies more competitive."

As prices come down, he said, the lives of ordinary Japanese will improve.

Norio Fujita, a trading company employee, has personal experience with the changes — younger managers were recently brought in to supervise him, a break with the rigid seniority system. Yet he does not oppose the changes.

It's "part of the process of democratization of this society," he said. "It's part of a larger trend here as we move from a feudal society."

For decades, the government orchestrated protected markets and high domestic prices to provide funds for Japan's export machine, assuring growth and creation of jobs. Now the Japanese are finding that competition means that some people win and some lose, a hard pill to swallow in a country built on an ethic that people share, more or less equally, pain and prosperity.

One of the hallmarks of Japan Inc. was lifetime employment. Some companies have been making tentative changes, paying better performers higher salaries. But next year, the pace is expected to pick up dramatically. Parliament is scheduled to consider this month a bill that would give corporations the right to form holding companies.

Analysts say holding companies, legal in the United States and Europe, are key to restructuring, as they allow corporations to separate weaker divisions from stronger ones and to pay different salaries for each unit.

With so many pieces of the system beginning to unravel, Prime Minister Ryutaro Hashimoto's government has said it would like to cross over to this new frontier in a gradual, methodical way — the Japanese way, in other words. Many of the toughest deregulatory actions are under study by committees and scheduled to take place in two or three years.

But analysts say the government may not be able to control the timing, especially with people like Michio Matsui. The president of Matsui Securities, a small independent broker, surprised Finance Ministry officials this year by unilaterally cutting trading commissions. The Finance Ministry plan had been to reduce commissions only after a long and exhaustive study.

Mr. Matsui said the government needed to drop the Japanese style of trying to anticipate all possible problems and solutions.

"We just have to think as we move forward," he said.

SHORT COVER

Lufthansa's 1996 Profit Dropped

BERLIN (Reuters) — Lufthansa AG said Sunday that its net profit in 1996 was lower than the previous year's result of 1.47 billion Deutsche marks ($857.2 million), despite solid gains in the number of passengers carried to Asia, Africa and the Middle East.

Hemjoe Klein, a member of the airline's managing board, said Lufthansa carried 41.4 million passengers in 1996, an increase of 1.7 percent from 1995. He did not provide more precise profit figures, saying they would be published at the end of March.

SNCF Chief Aims to Break Even

PARIS (Bloomberg) — The chairman of Societe Nationale des Chemins de Fer Francais, France's state-owned railway, said his key objective would be to have the company break even by 1999.

Louis Gallois was appointed July 24 to replace Loik le Floch-Prigent, who was under investigation for corruption.

SNCF had a net loss of 15.2 billion francs ($2.63 billion) in 1996, compared with 16.6 billion francs in 1995. The company is being restructured and relieved of its debt burden of 134 billion francs.

Czech Executive for VW to Resign

WOLFSBURG, Germany (Bloomberg) — A senior executive at Volkswagen AG's Czech subsidiary is expected to resign in connection with a bribery case brought by the Swiss-Swedish conglomerate ABB Asea Brown Boveri Ltd., according to a magazine report.

Volkhard Koehler, chief executive of Skoda Automobilova AS, will step down because of "improper conduct" in real-estate transactions and for obstructing an inquiry into bribery allegations, Der Spiegel reported, without citing sources. Volkswagen executives could not be reached for comment.

For the Record

- **H. J. Heinz Co.** plans to sell businesses, close plants and cut as many as 2,000 jobs in a restructuring that could lead to a $400 million charge, people familiar with the plan said.
- **Taiwan's** semiconductor industry will post a 30 percent increase in sales this year, to about $10.7 billion, the Economics Ministry predicted.
- **Acer Peripherals Inc.,** which makes monitors and other computer equipment, said sales dropped 20 percent in February a year earlier, to 2 billion Taiwan dollars ($72.7 million). *Bloomberg*

Sime Darby Earnings Soared 51% in Half

Bloomberg News

KUALA LUMPUR — Sime Darby Bhd. said Sunday that profit soared 51 percent in the first half of its financial year, bolstered by contributions from a new banking unit.

The company, which has interests in banking, plantations, property and manufacturing, said profit in the six months ended in December reached 463.2 million ringgit ($186.7 million), including a gain of 63.2 million ringgit from property sales. Revenue rose 33 percent, to 6.38 billion ringgit. A year earlier, a gain of 22.4 million ringgit from the sale of investments increased profit to 307.1 million ringgit.

"Contributions from the banking unit were higher than expected," said Desmond Ch'ng, a banking analyst at South Johor Securities. Sime Darby's banking unit, Sime Bank Bhd., provided the biggest contribution to group pretax profit.

It accounted for 227.2 million ringgit of group pretax profit, the company said.



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GERMANY*	DEM	182	72	60%
GREAT BRITAIN	£	47	22	53%
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IRELAND	IR£	52	26	50%
ITALY	ITL	145,600	58,000	60%
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NETHERLANDS	NLG	195	78	60%
NORWAY	NOK	832	390	53%
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SPAIN	PTAS	11,700	5,000	57%
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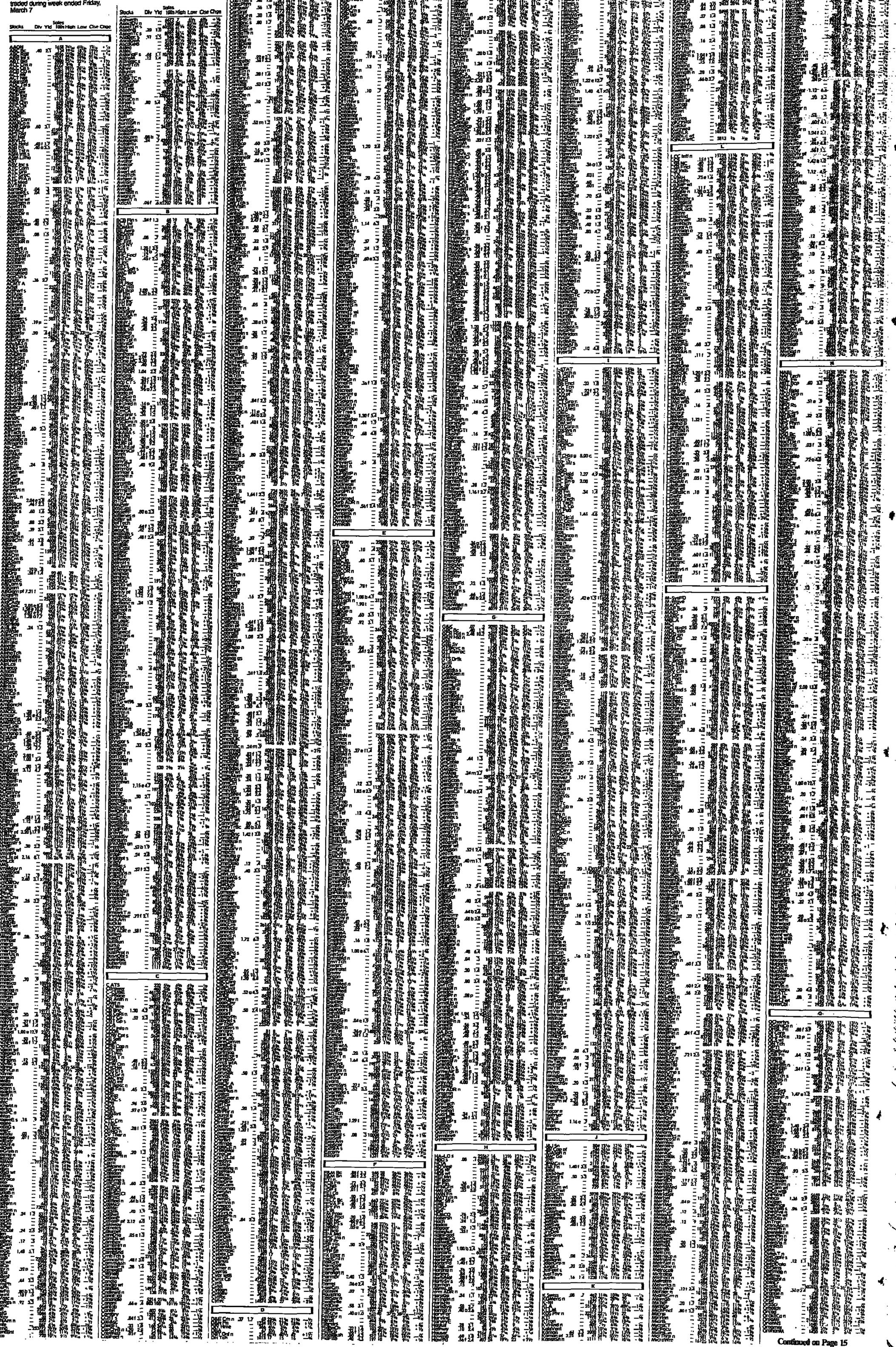
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Consolidated prices for all shares traded during week ended Friday, March 7

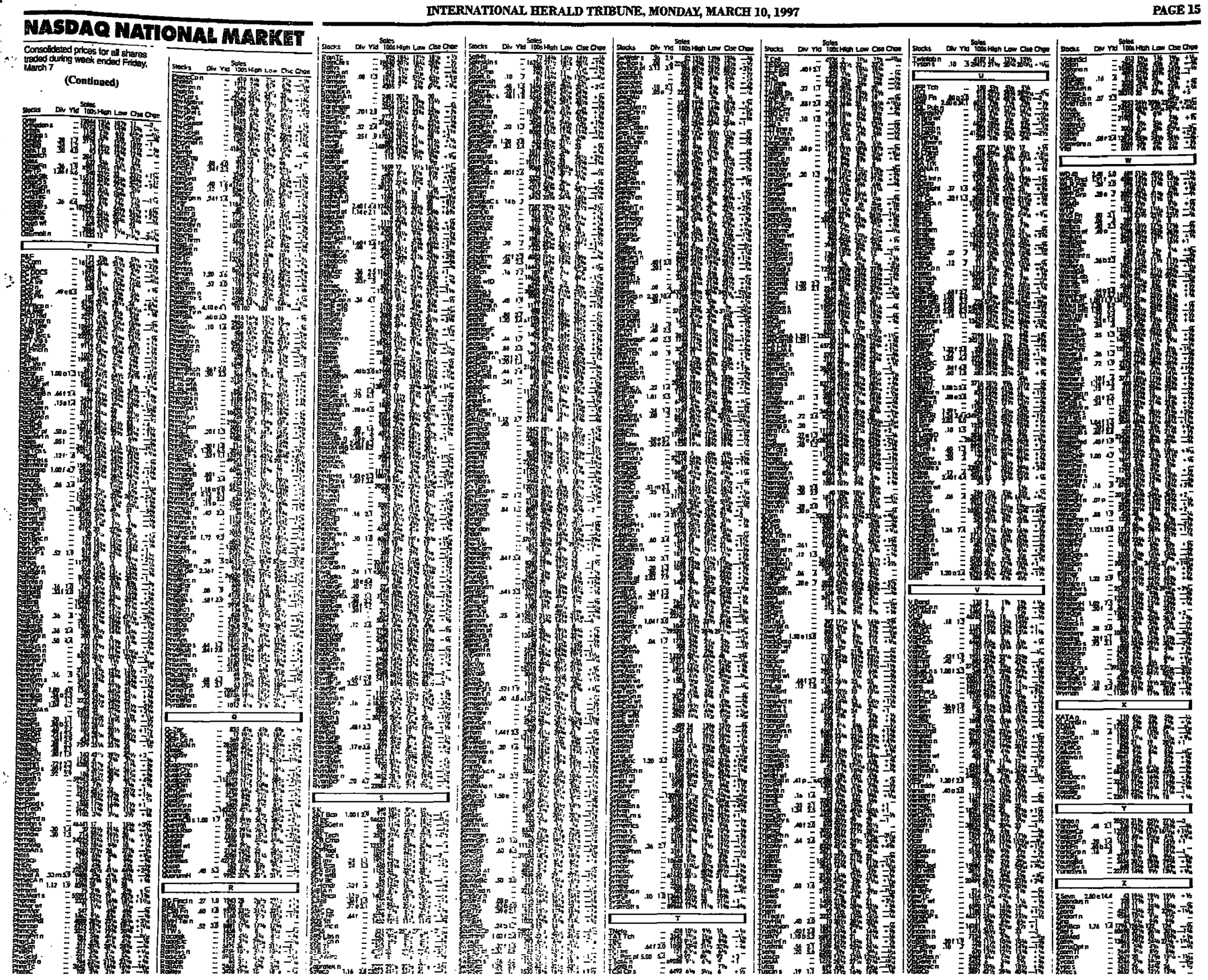


Continued on Page 15

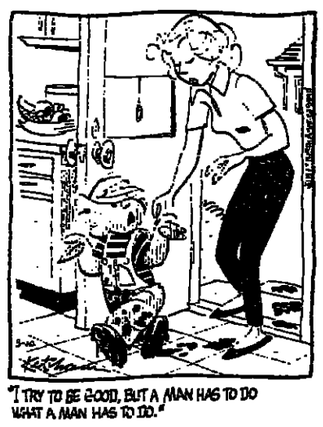
NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, March 7

(Continued)



DENNIS THE MENACE



"I TRY TO BE GOOD, BUT A MAN HAS TO DO WHAT A MAN HAS TO DO."

PEANUTS



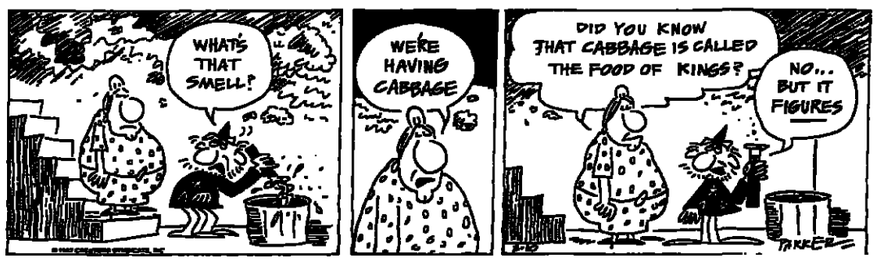
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TROFY

LACKET

ROWDYS



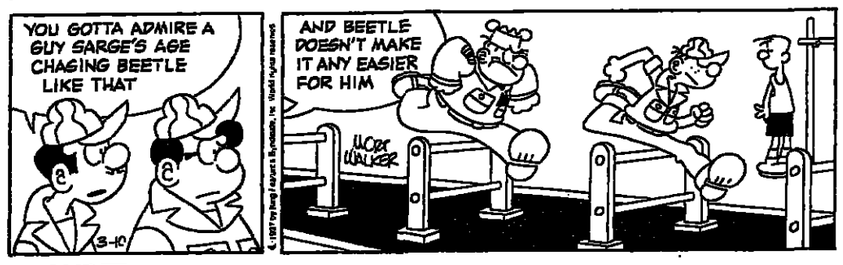
Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer: "_____" HIM _____

(Answers tomorrow)

Saturday's Jumbles: MINUS CLOUT PESTLE TURNIP
Answer: What a bookie does when he loses a horse race – PONIES UP

BEETLE BAILEY



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SPORTS

Grand Prix Racing Goes Multichannel With Digital Input

By Brad Spurgeon
International Herald Tribune

PARIS — Formula One, one of the most high-tech and expensive of sports, is using the latest digital satellite technology to squeeze more money out of its fans.

The Australian Grand Prix on Sunday opened the first full season of digital pay-per-view multichannel coverage of Formula One. This is the shape of sports broadcasting of the future, and the Formula One Administration, which is supplying the pictures from its races, had 40 cameras at Melbourne and gave itself excellent access to cars and the pits.

Such coverage first appeared late last season in Germany on Kirch Group, which has 20,000 digital subscribers. This year, Canal Plus, the French subscription network, is offering pay-per-view digital coverage of the 17 races. Canal Plus, which has been showing French soccer on digital pay-per-view this season, has 260,000 subscribers so far and deals with Polish, Spanish, and Italian networks for a connection to the service.

The International Automobile Federation, which owns the rights, also is negotiating deals with Brazil and other countries in South America.

The digital image is crystal clear. By comparison, TF1, the French terrestrial channel that also showed the Grand Prix live, seemed to be broadcasting a race under water. But the innovation is the six simultaneous channels. Jean-Luc Roy, a Canal Plus announcer, repeatedly called these the "six gifts." But they are not free. The weekend's viewing — it also included all the practice sessions — cost 80 francs ($14) plus the cost of the antenna and a monthly subscription.

The six channels were:

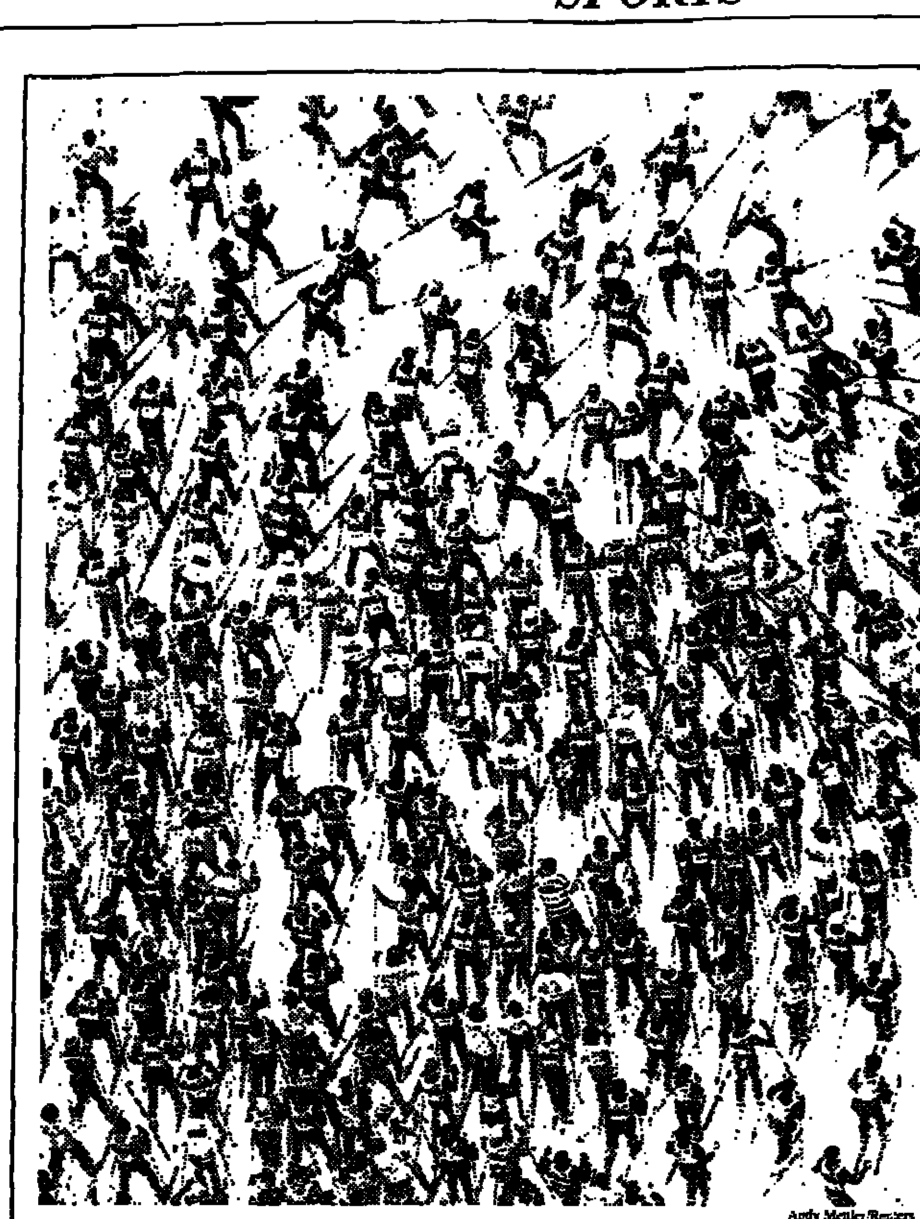
- Traditional coverage of the race with commentary.
- The race leaders, with a different commentary.
- The hot spots — where the battles are going on.
- The view through one of 14 on-board-the-cars cameras.
- The pits with the interviews of drivers, mechanics, team owners, wandering guests and periodic flashbacks to moments of excitement.
- Times and statistics.

All is not perfect, however. A viewer may not see all six channels on a single screen at once, so the announcers spend much time telling viewers what may be seen on the other channels: "You may now drive with Olivier Panis 1aboard the Prost on Channel 4!" But changing channels is painfully slow and the remote control confusing.

On the statistical channel, not all lap times are visible at once, and viewers may not manipulate the statistics. There are few statistics on the other channels.

Canal Plus boasts that viewers become their own TV directors. In truth, a directorial hand lies heavily across all the channels. Even so, where traditional television watching is passive, this kind of sports-watching is labor-intensive and needs Formula One-type reaction times.

The format does seem ideally suited to Formula One. In all Grand Prix, there are long periods when not much happens. With six views to choose, a viewer may switch around in slow moments in search of what Formula One has been trying to find for years: spectacle.



Andy Mettler/Reuters

PACKED SLOPE — Some of the 12,574 competitors swarming up a hill Sunday near St. Moritz, Switzerland, in the Engadin cross-country marathon.

Swiss Ices Title for Giant Slalom

Reuters

SHIGAKOGEN, Japan — Michael von Gruenigen of Switzerland wrapped up the men's World Cup giant slalom title in Japan on the course that will be used for the Winter Olympics in Nagano next year.

Von Gruenigen won the second-to-last giant slalom of the season Saturday on the Mount Higashidate course in a two-run combined time of two minutes, 41.68 seconds.

The victory gave the reigning world giant slalom champion 560 points, 209 points ahead of Kjetil Andre Aamodt of Norway, who finished fourth Saturday.

Andreas Schifferer of Austria was second at 2:42.04. Another Swiss, Paul Accola was third at 2:42.29.

Alberto Tomba of Italy was eliminated after finishing 35th in the first run.

"I am burned out," he said from Bologna. "I don't have the energy and training to have a good result on such a demanding course.

"Now I don't know what will happen with my giant slalom next year."

Wimbledon Scores Late To Reach FA Cup Semi

Compiled by Our Staff From Dispatches

Robbie Earle and Dean Holdsworth scored in the last 15 minutes to give Wimbledon a 2-0 quarterfinal victory at Sheffield Wednesday on Sunday to put the London club into the English FA Cup semifinals.

In the 75th minute, Neil Ardley played the ball deep into the Wednesday area. Marcus Gayle teed the ball up for Earle, who blasted it into the roof of the net from close range. Holdsworth scored in the last minute soon after coming on as a substitute.

Wimbledon meets London rival Chelsea in one semifinal. Two clubs that have never reached the final four, Middlesbrough and Chesterfield, meet in the other.

EUROPEAN SOCCER

Chelsea reached the semifinals with a comfortable 4-1 victory at first division Portsmouth. The Welsh international Mark Hughes put the Premier League team ahead from the edge of the penalty area after 25 minutes.

Two minutes before halftime, Steve Clarke's close range shot was parried by the Portsmouth goalkeeper, Alan Knight, but Dennis Wise tapped the ball over the line.

Roberto Di Matteo combined with Hughes in the 53d minute to set up Gianfranco Zola for the third goal.

Deon Burton scored with a fierce drive for Portsmouth, but Wise emphasized Chelsea's superiority with his second goal after an exchange of passes with Hughes.

Chesterfield of the second division beat Wrexham, also of the second division, 1-0. The only goal of a tense, quarterfinal came after 58 minutes from Chris Beaumont, a 31-year-old strikerwho joined for Chesterfield for a bargain price of £22,500 ($36,000) from Stockport County last summer. As Wrexham's goalkeeper, Andrew Marriott, and the defender Deryn Brace left the ball for the other, Beaumont scored.

Chesterfield became the first team from the third tier of English football to reach the semifinals in 13 years and only the seventh in the cup's 125-year history. No club from that level has ever reached the final.

On Saturday, Juninho and Fabrizio Ravanelli scored as Middlesbrough won, 2-0, at Derby.

In the Premier League, Manchester United, the leader, lost by 2-1 at Sunderland. It was United's first league defeat since Nov. 2 and followed its emphatic 4-0 victory over Porto in the European Cup on Wednesday.

After 52 minutes, United's goalkeeper, Peter Schmeichel, failed to hold John Mullin's flick, and Michael Gray fired the ball into the net. Mullin drove in a low shot to make it 2-0. United scored when Sunderland's Andy Melville deflected a shot past his own goalie.

SPAIN Alfonso Perez completed a brilliant hat trick in injury time Sunday as Real Betis beat Atletico Madrid, the Spanish champion, 3-2. The winner came just as Barcelona, 3-0 winners over Compostela, looked set to put two points between them and the Seville side in the fight for Spain's second place in next season's European Cup.

Atletico had taken the lead midway through the first half through Juan Eduardo Esnaider, who was sent off moments later. Alfonso responded with strikes either side of halftime, before Atletico leveled following an own goal during a mix-up in the Berias defense.

ITALY Hernan Crespo and Massimo Crippa scored Sunday as second-place Parma came from behind to win by 2-1 at Perugia.

Sampdoria, in fourth place, lost by 4-0 at Atalanta. Filippo Inzaghi, the league's leading scorer, struck a hat trick for Atalanta to take his season's tally to 18, while Sampdoria's Yugoslav sweeper, Sinisa Mihajlovic, was shown a red card for dissent.

Fiorentina followed up its 2-0 triumph at Benfica in last week's European Cup Winners' Cup by twice recovering from a goal down to beat sixth-placed Bologna, 3-2. It was Fiorentina's first league victory in two months.

NETHERLANDS PSV Eindhoven maintained its three point lead in the Dutch league Sunday by clinging on for a 0-0 draw away to second-place Feyenoord.

PSV's deep defending restricted Feyenoord to speculative shots for much of the match. The game only came alive in the last 10 minutes of the first half when Henryk Larsson broke free of PSV's tight marking to set up two thunderous strikes from Jean Paul van Gastel and to send Gaston Taument free down the right flank.

Ajax climbed into fourth place with a 1-0 victory over FC Utrecht, thanks to Kiki Musampa's 65th-minute strike. The Amsterdam team is unbeaten since the winter break.

GERMANY Bayern Munich wasted a chance to retake first place in the Bundesliga when it lost by 5-2 at Beyer Leverkusen.

Borussia Dortmund had moved into first place on Saturday after beating Freiburg, a bottom club, by 2-1 with an 86th-minute penalty on Saturday. Dortmund seemed to be heading for a 1-1 draw with Freiburg, which had taken just 13 points from 20 games. But Michael Zorc's crisp strike from the spot sealed a victory for the defending champion.

SCOREBOARD

AUTO RACING

AUSTRALIAN GRAND PRIX

SUNDAY, IN MELBOURNE, AUSTRALIA

Results of Formula One Grand Prix auto race over 58 laps of the 5.289 kilometers (3.274 miles) Albert Park track, a total of 307.2 kilometers (191.08 miles):

1, David Coulthard, Britain, McLaren-Mercedes, one hour, 30 minutes 28.718 seconds (203.926 kilometers per hour/126.717 miles per hour; 2, Michael Schumacher, Germany, Ferrari, 1:30.48.764; 3, Mika Hakkinen, Finland, McLaren-Mercedes, 1:30.50.895; 4, Gerhard Berger, Austria, Benetton-Renault, 1:30.51.559; 5, Olivier Panis, France, Prost-Mugen Honda, 1:31.29.026; 6, Nicola Larini, Italy, Sauber, 1:32.04.758; 7, Shinji Nakano, Japan, Prost-Mugen Honda, 56 laps; 8, Heinz-Harald Frentzen, Germany, Williams-Renault, DNF; 9, Jarno Trulli, Italy, Minardi-Hart, 55 laps

DRIVERS STANDINGS: 1, David Coulthard, Britain, 10 points; 2, Michael Schumacher, Germany, 6; 3, Mika Hakkinen, Finland, 4; 4, Gerhard Berger, Austria, 3; 5, Olivier Panis, France, 2; 6, Nicola Larini, Italy, 1.

CONSTRUCTORS STANDINGS: 1, McLaren-Mercedes, 14 points; 2, Ferrari 6; 3, Benetton-Renault 3; 4, Prost Mugen-Honda 2; 5, Sauber 1.

BASEBALL

EXHIBITION BASEBALL

FRIDAY'S GAMES

Houston 7, Cincinnati 0, 11 innings
Baltimore 6, Atlanta 1
Florida (ss) 11, Cleveland 5
Philadelphia 11, Boston (ss) 4
Pittsburgh 6, Texas (ss) 1
Florida (ss) 5, Boston (ss) 1
Detroit 3, Los Angeles 2
Toronto 5, St. Louis 4
Minnesota (ss) 4, Chicago White Sox 3
New York Yankees 5, Kansas City 4
Texas (ss) 7, Minnesota (ss) 3
New York Mets 4, Montreal 0
Chicago Cubs 11, Colorado 7
San Diego 10, Anaheim 0
Milwaukee 11, San Francisco 1
Oakland (ss) 7, Seattle (ss) 2
Oakland (ss) 11 Seattle (ss) 6

SATURDAY'S GAMES

Los Angeles 4, Atlanta 3
Florida (ss) 5, New York Mets 4
Houston 5, Cleveland (ss) 4
Pittsburgh 9, Chicago White Sox 8
St. Louis 13, Minnesota 10
Baltimore 8, Montreal 7
Florida (ss) 4, Cleveland (ss) 1
Detroit 2, Philadelphia 1
New York Yankees 9, Cincinnati 1
Texas 4, Boston 2
Toronto 10, Kansas City 4
San Diego (ss) 4, Chicago Cubs 1
San Francisco (ss) 7, San Diego (ss) 6, 10 in.
Colorado 7, Milwaukee 4
San Francisco (ss) 11, Oakland 6
Anaheim 6, Seattle 3

BASKETBALL

NBA STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	Pct	GB
New York	46	16	.742	—
Miami	45	16	.738	½
Orlando	32	27	.542	12½
Washington	28	32	.467	17
New Jersey	18	42	.300	27
Philadelphia	15	44	.254	29½
Boston	12	49	.197	33½

CENTRAL DIVISION

	W	L	Pct	GB
x-Chicago	53	7	.883	—
Detroit	45	16	.738	8½
Atlanta	41	19	.683	12
Charlotte	39	22	.639	14½
Cleveland	33	27	.550	20
Indiana	29	32	.475	24½
Milwaukee	26	35	.426	27½
Toronto	20	40	.333	33

WESTERN CONFERENCE

MIDWEST DIVISION

	W	L	Pct	GB
Utah	44	16	.733	—
Houston	41	20	.672	3½
Minnesota	30	29	.508	13½
Dallas	19	40	.322	24½
Denver	18	43	.295	26½
San Antonio	15	46	.246	29½
Vancouver	11	51	.177	34

PACIFIC DIVISION

	W	L	Pct	GB
Seattle	42	17	.712	—
L.A. Lakers	40	20	.667	2½
Portland	34	28	.548	9½
Sacramento	28	33	.459	15
L.A. Clippers	25	33	.431	16½
Phoenix	23	37	.383	19½
Golden State	22	37	.373	20

x-clinched playoff spot

FRIDAY'S RESULTS

New York	27	23	34	29—	113
Boston	32	33	19	18—	102

N.Y.: Ewing 16-25 7-8 39, Johnson 9-16 1-2 19; B: Fox 13-21 3-4 34, Walker 7-22 2-5 16, E.Williams 4-12 8-12 16, Wesley 5-12 5-7 16. Rebounds—New York 58 (Ewing 9), Boston 54 (Walker, E.Williams, Day 6). Assists—New York 25 (Ward 8), Boston 22 (Wesley 11).

Miami	24	35	27	9	13—	108
Washington	23	15	28	29	10—	105

M: Hardaway 13-25 13-14 45, Mashburn 9-17 2-2 23; W: Howard 11-21 6-10 28, R.Strickland 9-21 10-11 28. Rebounds—Miami 48 (Austin 13), Washington 57 (Muresan 10). Assists—Miami 20 (Hardaway 7), Washington 13 (R.Strickland 5).

Milwaukee	26	29	8	17—	80
Atlanta	27	21	23	19—	90

M: Robinson 11-22 1-1 26, Allen 7-17 3-4 19; A: Mutombo 8-19 4-9 20, Smith 5-11 10-12 20. Rebounds—Milwaukee 49 (Baker 14), Atlanta 50 (Mutombo 16). Assists—Milwaukee 13 (Douglas 4), Atlanta 22 (Blaylock 12).

San Antonio	20	30	23	33—	106
Toronto	30	24	19	30—	103

S.A.: Maxwell 9-20 13-13 34, Alexander 6-8 3-3 18; T: Stoudamire 7-15 8-9 25, Camby 9-12 3-4 21. Rebounds—San Antonio 42 (Anderson 10), Toronto 53 (Camby 9). Assists—San Antonio 23 (Maxwell 7), Toronto 28 (Christie 9).

Denver	16	19	33	15—	83
Minnesota	16	22	27	31—	96

D: McDyess 7-14 6-7 20, Stith 4-11 7-7 15; M: Gugliotta 8-23 14-19 30, Garnett 8-14 1-2 17. Rebounds—Denver 55 (Johnson 13), Minnesota 59 (Garrett 13). Assists—Denver 18 (Goldwire 6), Minnesota 25 (Marbury 10).

Indiana	31	20	20	25—	96
Chicago	33	27	21	23—	104

I: Miller 8-22 6-6 27, Smits 9-21 4-6 22; C: Jordan 11-21 15-17 38, Pippen 7-16 10-13 24. Rebounds—Indiana 47 (D.Davis 7), Chicago 57 (Rodman 18). Assists—Indiana 22 (Jackson 8), Chicago 26 (Pippen 9).

Detroit	21	22	22	23—	88
Utah	21	21	28	25—	95

D: Dumars 8-15 1-2 18, Hunter 5-14 0-0 15; U: Malone 15-26 11-15 41; Stockton 5-9 5-6 16. Rebounds—Detroit 36 (Thorpe 9), Utah 50 (Ostertag 9). Assists—Detroit 18 (Hill 8), Utah 26 (Stockton, Hornacek 9).

Sacramento	28	16	20	23—	87
Phoenix	23	25	17	33—	104

S: Richmond 13-24 1-4 32, Grant 4-7 9-12 17; P: Johnson 4-11 13-16 21, Chapman 7-11 2-2 17. Rebounds—Sacramento 55 (Polynice 14), Phoenix 54 (Williams 10). Assists—Sacramento 17 (Polynice 5), Phoenix 27 (Kidd 8).

Dallas	13	16	16	24—	69
Portland	18	24	22	16—	80

D: Finley 5-18 5-6 17, Strickland 4-10 5-5 15; P: C.Robinson 6-12 0-0 15, Sabonis 6-9 1-1 13, Trent 6-10 1-3 13. Rebounds—Dallas 55 (Green 11), Portland 54 (Sabonis 9). Assists—Dallas 16 (Reeves 6), Portland 19 (Anderson 7).

New Jersey	21	20	28	21—	90
Seattle	31	29	29	20—	109

N.J.: Gill 10-16 4-7 25, Cassell 7-16 0-0 19; S: Hawkins 8-12 6-7 26, Payton 9-18 4-4 24. Rebounds—New Jersey 56 (Montross, Jackson 8), Seattle 48 (McIlvaine, Hawkins 8). Assists—N.J. 19 (Cassell 7), S. 27 (Payton 6).

Houston	33	29	21	28—	111
L.A. Lakers	21	12	38	27—	98

H: Olajuwon 10-19 3-3 23, Elie 6-9 3-3 19; L.A. LAKERS: Campbell 7-12 3-4 17, Jones 7-16 2-3 17. Rebounds—Houston 56 (Olajuwon 12), Los Angeles 41 (Campbell 7). Assists—Houston 31 (Olajuwon 6), Los Angeles 23 (Van Exel 6).

Orlando	36	25	21	19—	101
Golden State	28	24	25	31—	108

O: Grant 9-18 5-6 23, Hardaway 7-17 5-6 21; G.S.: Smith 8-16 7-7 23, Sprewell 8-15 4-6 21. Rebounds—Orlando 44 (Seikaly 12), Golden State 48 (DeClercq 10). Assists—Orlando 25 (Hardaway 6), Golden State 26 (Sprewell 10).

SATURDAY'S RESULTS

San Antonio	23	22	30	26—	102
Indiana	25	24	24	25—	98

S.A.: Johnson 10-15 6-8 26, Del Negro 8-16 6-6 22; I: Smits 8-14 9-11 25, Miller 8-14 1-1 21. Rebounds—San Antonio 40 (Anderson 11), Indiana 59 (D.Davis 18). Assists—San Antonio 20 (Johnson 9), Indiana 22 (Jackson 13).

Milwaukee	17	27	23	23—	90
Cleveland	26	18	14	24—	82

M: Baker 10-14 5-6 25, Robinson 8-18 4-5 20; C: Brandon 11-21 0-0 25, Hill 7-12 5-6 19. Re-bounds—Milwaukee 44 (Baker 15), Cleveland 34 (Hill 11). Assists—Milwaukee 20 (Douglas 7), Cleveland 20 (Brandon 10).

Detroit	22	23	21	27—	91
L.A. Clippers	25	20	17	23—	85

D: Dumars 7-14 4-4 23, Hill 7-14 5-6 19; L.A.: Vaught 10-23 3-3 23, Rogers 6-13 4-6 17. Re-bounds—Detroit 46 (Hill 10), Los Angeles 46 (Vaught 14). Assists—Detroit 16 (Hill 8), Los Angeles 14 (Martin 4).

HOCKEY

NHL STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
Philadelphia	37	19	10	84	219	170
New Jersey	34	19	12	80	178	153
Florida	29	22	15	73	176	155
N.Y. Rangers	30	28	9	69	217	190
Tampa Bay	26	32	7	59	192	205
Washington	26	32	7	59	166	182
N.Y. Islanders	23	33	10	56	181	195

NORTHEAST DIVISION

	W	L	T	Pts	GF	GA
Buffalo	34	20	11	79	191	161
Pittsburgh	32	28	5	69	226	214
Hartford	26	30	10	62	183	201
Montreal	24	32	12	60	208	241
Ottawa	21	32	13	55	180	196
Boston	22	35	9	53	194	237

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
Dallas	40	23	4	84	202	162
Detroit	32	19	14	78	208	152
Phoenix	31	32	4	66	191	201
St. Louis	28	30	8	64	194	202
Chicago	26	31	10	62	172	168
Toronto	25	37	4	54	193	228

PACIFIC DIVISION

	W	L	T	Pts	GF	GA
Colorado	41	17	8	90	226	161
Edmonton	30	30	7	67	208	201
Anaheim	26	30	8	64	193	192
Calgary	28	33	7	63	180	194
Vancouver	28	35	3	59	206	227
Los Angeles	25	35	8	58	181	221
San Jose	23	35	7	53	168	214

FRIDAY'S RESULTS

Montreal	0	0	0—0
Hartford	1	1	0—2

First Period: H-Kron 7 (Kapanen, Dlduck) Second Period: H-Chiasson 6 (O'Neill, Leschyshyn) (pp). Third Period: None. Shots on goal: M- 9-7-10—26. H- 12-16-11—39. Goalies: M-Thibault. H-Burke.

Calgary	1	0	2—3
Florida	0	1	0—1

First Period: C-Gagner 23 (Featherstone, Fleury) Second Period: F-Sheppard 22. Third Period: C-Sullivan 4 (Stern) 4, C-, Gagner 24 (Fleury, Titov) (en). Shots on goal: C- 10-5-11—26. F- 7-11-10—28. Goalies: C-Roloson. F-Vanbiesbrouck.

Edmonton	0	0	1—1
Dallas	2	0	0—2

First Period: D-Adams 16 (Langenbrunner, Hatcher) 2, D-Broten 6 (Hogue, Keczmer) Second Period: None. Third Period: E-Grier 11 (Weight, Kilmo) Shots on goal: E- 2-15-12—29. D- 11-7-5—23. Goalies: E-Joseph, Essensa. D-Moog, Irbe.

N.Y. Rangers	0	1	1—2
Anaheim	2	0	3—5

First Period: A-Selanne 40 (Rucchin) 2, A-, Drury 7 (Sacco, Marshall) (pp). Second Period: New York, Graves 24 (Leetch, Messier) Third Period: A-Drury 8 (Todd, Kurri) 5, A-Kariya 33 (Selanne, Rucchin) 6, New York, Karpovtsev 8 (Gretzky) (sh). 7, A-Selanne 41 (Rucchin, Kariya) (en). Shots on goal: New York 5-10-13—28. A- 10-9-8—27. Goalies: New York, Richter. A-Hebert.

SATURDAY'S RESULTS

Pittsburgh 3, Philadelphia 2, OT
Boston 6, Tampa Bay 4
Buffalo 3, Montreal 3, tie
N.Y. Islanders 5, New Jersey 1
Hartford 1, Toronto 1, tie
Phoenix 2, Chicago 0
Detroit 5, Vancouver 3
Los Angeles 3, Ottawa 1

ATHLETICS

WORLD INDOOR CHAMPIONSHIP

SATURDAY AND SUNDAY, IN PARIS

WOMEN'S RESULTS

200 METERS

1. Ekaterini Koffa, Greece, 22.76 seconds
2. Juliet Cuthbert, Jamaica, 22.77
3. Svetlana Goncharenko, Russia, 22.85

400 METERS

1. Jearl Miles-Clark, U.S., 50.96 seconds
2. Sandie Richards, Jamaica, 51.17
3. Helena Fuchsova, Czech Reublic, 52.04

800 METERS

1. Maria Mutola, Mozambique, 1 m. 58.96 s.
2. Natalya Dukhnova, Belarus, 1:59.31
3. Joetta Clark, U.S., 1:59.82

1500 METERS

1. YekaterinaPodkopayeva,Russ., 4 m. 05.19s.
2. Mary Slaney, U.S., 4:05.22
3. Patricia Djate-Taillard, France, 4:06.16

3,000 METERS

1. Gabriela Szabo, Romania, 8 min. 45.75 s.
2. Sonia O'Sullivan, Ireland, 8:46.19
3. Fernanda Ribeiro, Portugal, 8:49.79

60 METERS HURDLES

1. Michelle Freeman, Jamaica, 7.82 seconds
2. Gillian Russell, Jamaica, 7.84
3 equal. Cheryl Dickey, U.S., 7.84
3 equal. Patricia Girard, France, 7.84

4x400 METERS RELAY

1. Russia 3 min. 26.84 sec., world record
2. U.S. 3:27.66
3. Germany 3:28.39

SHOT PUT

1. Vita Pavlysh, Ukraine, 20.00 meters
2. Astrid Kumbernuss, Germany, 19.92
3. Irina Korzhanenko, Russia, 19.49

LONG JUMP

1. Fiona May, Italy, 6.86 meters
2. Chioma Ajunwa, Nigeria, 6.80
3. Agata Karczmarek, Poland, 6.71

TRIPLE JUMP

1. Inna Lasovskaya, Russia, 15.01 meters
2. Ashia Hansen, Britain, 14.70
3. Sarka Kasparkova, Czech Republic, 14.66

HIGH JUMP

1. Stefka Kostadinova, Bulgaria, 2.02 meters
2. Inha Babakova, Ukraine, 2.00
3. Hanne Haugland, Norway, 2.00

POLE VAULT

1. Stacy Dragila, U.S., 4.40 meters
2. Emma George, Australia, 4.35
3. Cai Weiyan, China, 4.35

MEN'S RESULTS

200 METERS

1. Kevin Little, U.S., 20.40 seconds
2. Ivan Garcia, Cuba, 20.46
3. Francis Obikwelu, Nigeria, 21.10

400 METERS

1. Sunday Bada, Nigeria, 45.51 seconds
2. Jamie Baulch, Britain, 45.62
3. Shunji Karube, Japan, 45.76

800 METERS

1. Wilson Kipketer, Denmark, one minute 42.67 seconds, world record.
2. Mahjoub Haida, Morocco, 1:45.76
3. Rich Kenah, U.S., 1:46.16

1,500 METERS

1. Hicham el Guerrouj, Morocco, 3 m. 35.31 s.
2. Rudiger Stenzel, Germany, 3:37.24
3. William Tanui, Kenya, 3:37.48

3000 METERS

1. Haile Gebrselassie, Ethiopia, 7 m. 34.71 s.
2. Paul Bitok, Kenya, 7:38.84
3. Ismail Sghir, Morocco, 7:40.01

60 METERS HURDLES

1. Anier Garcia, Cuba, 7.48 seconds
2. Colin Jackson, Britain, 7.49
3. Tony Dees, U.S., 7.50

4x400 METERS RELAY

1. U.S. three minutes 04.72 seconds
2. Jamaica 3:08.11
3. France 3:09.68

LONG JUMP

1. Ivan Pedroso, Cuba, 8.51 meters
2. Kirill Sosunov, Russia, 8.41
3. Joe Green, U.S., 8.41

MEN'S TRIPLE JUMP

1. Yoel Garcia, Cuba, 17.30 meters
2. Aliecer Urrutia, Cuba, 17.27
3. Alexander Aseledchenko, Russia, 17.22

HIGH JUMP

1. Charles Austin, U.S., 2.35 meters
2. Lambros Papakostas, Greece, 2.32
3. Dragutin Topic, Yugoslavia, 2.32

POLE VAULT

1. Igor Potapovitch, Kazakhstan, 5.90 meters
2. Lawrence Johnson, U.S., 5.85
3. Maksim Tarasov, Russia, 5.80

HEPTATHLON

1. Robert Zmelik, Czech Rep.lc, 6.228 points
2. Erki Nool, Estonia, 6.213
3. Jon Magnusson, Iceland, 6.145

CRICKET

SRI LANKA TOUR

FIRST TEST, 3D DAY

NEW ZEALAND VS. SRI LANKA

SUNDAY, IN DUNEDIN, NEW ZEALAND

New Zealand: 586 for seven declared
Sri Lanka: 222 and 37 for no wicket

INDIA TOUR

FIRST TEST, 3D DAY

WEST INDIES VS. INDIA

SATURDAY, IN KINGSTON, JAMAICA

West Indies: 427
India: 308-7

GOLF

MOROCCAN OPEN

Scores from the final day of the $560,000 Moroccan Open Golf tournament played over the par-72, 6,086-meter (6,657-yard), Royal Golf Links, Agadir:

C. Whitelaw, S. Africa	68-71-69-69—277.
D. Cole, Australia	72-74-69-64—279.
R. Chapman, England	74-68-70-67—279.
W. Riley, Australia	72-72-67-68—279.
D.A.Russell, England	69-68-71-72—280.
B. Robson, England	73-65-70-73—281.
R. Karlsson, Sweden	70-71-70-70—281.
P. Johansson, Sweden	72-73-67-69—281.
B. Davis, England	70-58-71-72—281.
J. Coceres, Argentina	71-67-72-72—282.
P. Broadhurst, Eng.	70-71-71-70—282.
T. Johnstone, Zimb.	71-72-71-68—282.

RUGBY UNION

RUGBY SUPER 12

AT BLOEMFONTEIN, SOUTH AFRICA

Auckland 24, Free State 15

AT CHRISTCHURCH, NEW ZEALAND

Canterbury 19, Wellington 17

AT SYDNEY, AUSTRALIA

New South Wales 26, Waikato 33

AT DURBAN, SOUTH AFRICA

Natal 75, Otago 43

AT PRETORIA, SOUTH AFRICA

Northern Transvaal 14, Queensland 3

AT JOHANNESBURG, SOUTH AFRICA

Transvaal 44, ACT 36

Standings: Transvaal 9, Waikato 8, Northern Transvaal 7, Auckland 7, Natal 5, ACT 5, Canterbury 4, Wellington 2, New South Wales 1, Free State 1, Queensland 1, Otago 1.

SKIING

WORLD CUP

WOMEN'S SUPER-G

FRIDAY, AT MAMMOTH LAKES, CALIFORNIA

1. Katja Seizinger, Germany, 1 min. 16.08 s.
2. Hilde Gerg, Germany, 1:17.67
3. Pernilla Wiberg, Sweden, 1:17.72
4. Isolde Kostner, Italy, 1:17.86
5. Katharina Gutensohn, Germany, 1:18.17
6. Martina Ertl, Germany, 1:18.45
7. Heidi Zurbriggen, Switzerland, 1:18.48
8. M. Brigger-Summermatter, Switz, 1:18.60
9. Karen Putzer, Italy, 1:18.76

tie Catherine Borghi, Switzerland, 1:18.76

Super-g standings: 1. Wiberg, 449 points 2.Gerg, 410, 3. Seizinger, 374, 4. Kostner, 355. 5. Ertl, 188, 6. Florence Masnada, France, 176, 7. Warwara Zelenskaja, Russia, 165, 8. Svetlana Gladishiva, Russia, 158, 9. Zurbriggen, 155, 10. Gutensohn, 148

WOMEN'S SLALOM RESULTS

FRIDAY, AT MAMMOTH LAKES, CALIFORNIA

1. Wiberg 1 min., 17.90 sec., 38.07, 39.83.
2. S. Egger, Austria, 1:18.15, 37.72, 40.43.
3. L. Magoni, Italy, 1:18.61, 38.28, 40.33.
4. K. Roten, Switz., 1:18.87, 38.67, 40.20.
5. E. Eder, Austria, 1:19.12, 38.62, 40.50.
6. D. Compagnoni, It., 1:19.16, 38.09, 41.07.
7. A. Wachter, Austria, 1:19.26, 38.72, 40.54.
8. M. Accola, Switz., 1:19.79, 39.21, 40.58.
9. I. Salvenmoser, Aust., 1:19.87, 39.23, 40.64.
10. P. Chauvet, France, 1:19.88, 38.77, 41.11.

Slalom: 1. Wiberg, 670 points, 2. Claudia Riegler, New Zeal., 389, 3. Compagnoni, 367, 4. Chauvet, 311, 5. Eder, 306, 6. Magoni, 291, 7. Urska Hrovat, Slovenia, 237, 8. Sabine Egger, 234, 9. Accola, 201, 10. Savenmoser, 200.

Overall standings: 1. Wiberg, 1,715 points, 2. Seizinger, 1,104 3. Gerg, 980, 4. Compagnoni, 827, 5. Kostner, 733, 6. Zurbriggen, 722, 7. Wachter, 694, 8. Zelenskaja, 588, 9. Renate Goetschl, Austria, 567, 10. Ertl, 502.

MEN'S GIANT SLALOM

SATURDAY, AT SHIGA KOGEN, JAPAN

1. Michael von Gruenigen, Switzerland, 2 min. 41.68 sec., first run 1:21.88/second run 1:19.80
2. A. Schifferer, Aus., 2:42.04, 1:22.37/ 1:19.67
3. P. Accola, Switz., 2:42.29, 1:22.45/ 1:19.84
4. K. Aamodt, Nor., 2:42.30, 1:23.16/ 1:19.14
5. J. Kosir, Slovenia, 2:42.82, 1:23.82/ 1:19.00
6. H. Knauss, Aus., 2:42.84, 1:23.84/ 1:19.00
7. H.Schilchegger, Aus., 2:42.91, 1:23.71/ 1:19.20
8. J. Strobl, Austria, 2:43.06, 1:23.55/ 1:19.51
9. S. Locher, Switz., 2:43.26, 1:22.85/ 1:20.41.
10. R.Salzgeber, Aus., 2:43.36, 1:23.41/ 1:19.95.

Giant slalom standings: 1. von Gruenigen, 560 points, 2. Aamodt, 351, 3. Knauss, 320, 4. Locher, 305, 5. Fredrik Nyberg, Sweden, 265, 6. Urs Kaelin, Switzerland, 225, 7. Salzgeber, 191, 8. Kosir, 176, 9. Schifferer, 170, 10. Siegfried Voglreiter, Austria, 167

MEN'S SLALOM

SUNDAY, AT SHIGA KOGEN, JAPAN

1. Thomas Stangassinger, Austria, 1 min. 41.10 sec., first run 49.32/second run 51.78.
2. F. C. Jagge, Norway, 1:41.94, 49.63/ 52.31
3. O. C. Furuseth, Nor., 1:42.32, 48.93/ 53.39
4. K. Kimura, Japan, 1:42.38, 49.99/ 52.39.
5. S. Amiez, France, 1:42.44, 49.79/ 52.65.
6. A. Miklavc, Slovenia, 1:42.45, 50.13/ 52.32.
7. J. Chenal, France, 1:42.73, 50.46/ 52.27.
8. T. Stiansen, Norway, 1:42.98, 49.35/ 53.63.
9. M. Hansson, Sweden, 1:43.02, 50.46/ 52.56.
10. K. Aamodt, Norway, 1:43.71, 50.88/ 52.83

Slalom standings: 1. Thomas Sykora, Austria, 666 points, 2. Stangassinger, 590. 3. Amiez, 373, 4. Alberto Tomba, Italy, 292, 5. Kimura, Japan, 289, 6. Jagge, 274, 7. Stiansen, 270, 8. Aamodt, 268, 9. Furuseth, 246, 10. Mario Reiter, Austria, 222

Overall standings: 1. Luc Alphand, France, 1,072, 2. Aamodt, 955, 3. Josef Strobl, Austria, 856, 4. Kristian Ghedina, Italy, 850, 5. von Gruenigen, 722, 6. Knauss, 683, 7. Sykora, 668, 8. Atle Skaardal, Norway, 628, 9. Stangassinger, 590, 10. Werner Franz, Austria, 586

TENNIS

FRANKLIN TEMPLETON CLASSIC

SCOTTSDALE, ARIZONA, U.S.

QUARTERFINALS

Mark Philippoussis, Australia, def. Byron Black, Zimbabwe, 7-5, 6-3; Chris Woodruff, U.S., def. Carlos Moya (3), Spain, 7-6 (10-8), 5-7, 6-3.

Jonas Bjorkman, Sweden, def. Albert Costa (4), Spain, 6-4, 2-6, 6-4; Richey Reneberg (8), U.S., def. Jerome Golmard, France, 6-4, 6-2

SEMIFINALS

Philippoussis def. Woodruff, 4-6, 7-6 (7-5), 6-2. Reneberg def. Bjorkman 6-3, 6-3.

ABN AMRO

ROTTERDAM, NETHERLANDS

QUARTERFINALS

Daniel Vacek, Czech Republic, def. Renzo Furlan, Italy, 6-4, 1-6, 6-3; Thomas Enqvist, Sweden (3) def. Alex Radulescu, Romania, 7-6 (10-8), 6-3.

Richard Krajicek, Netherlands (2), def. Michael Stich, Germany, 7-6 (7-4), 7-6 (7-3); Goran Ivanisevic, Croatia (1), def. Petr Korda, Czech Republic, walkover.

SEMIFINALS

Krajicek def. Enqvist (3) 6-7 (7-5), 6-3, 6-4. Vacek, def. Ivanisevic 6-4, 1-6, 7-6 (7-2).

FINAL

Krajicek def. Vacek 7-6 (7-4), 7-6 (7-5).

SOCCER

WORLD CUP QUALIFIER

FIRST ROUND

GROUP 6

SUNDAY, AT BANGKOK, THAILAND

Thailand 2, Hong Kong 0

Standings: South Korea 6 points, Thailand 3, Hong Kong 0.

GERMAN BUNDESLIGA

VfL Bochum 0, Schalke 1
Hansa Rostock 0, FC Cologne 0
SC Freiburg 1, Borussia Dortmund 2
VfB Stuttgart 4, Hamburger SV 1
Bor.Moenchengladbach 4, Werder Bremen 1
FC St. Pauli 2, Karlsruher SC 4
MSV Duisburg 0, Arminia Bielefeld 0
1860 Munich 3, Fortuna Duesseldorf 0
Bayer Leverkusen 5, Bayern Munich 2

Standings: Borussia Dortmund 43, Bayern Munich 43, Bayer Leverkusen 41, VfB Stuttgart 38, Karlsruher SC 33, FC Cologne 33, Schalke 04 33, Werder Bremen 29, VfL Bochum 29, 1860 Munich 27, Arminia Bielefeld 26, Hamburger SV 24, MSV Duisburg 24, Moenchengladbach 23, Fortuna Duesseldorf 22, FC St. Pauli 19, Hansa Rostock 18, SC Freiburg 13.

FRENCH FIRST DIVISION

Nantes 3, Bastia 0
Montpellier 0, Rennes 0
Nancy 1, Nice 0
Caen 1, Lille 0
Cannes 0, Metz 0
Strasbourg 1, Bordeaux 1
Lens 0, Le Havre 1
Guingamp 3, Marseille 1
Paris St Germain 3 Lyon 1

SPANISH FIRST DIVISION

Sporting Gijon 2, Logrones 0
Barcelona 3, Compostela 0
Valladolid 0, Tenerife 2
Extremadura 1, Real Sociedad 0
Celta Vigo 2, Espanyol 2
Deportivo Coruna 3, Oviedo 0
Hercules 1, Rayo Vallecano 0
Real Betis 3, Atletico Madrid 2
Valencia 4 Sevilla 2

ENGLISH F.A. CUP

QUARTERFINALS

Chesterfield 1, Wrexham 0
Portsmouth 1, Chelsea 4
Sheffield Wednesday 0, Wimbledon 2
Derby 0, Middlesbrough 2

DRAW FOR SEMIFINALS

Wimbledon v Chelsea
Middlesbrough v Chesterfield
(Matches to be played on Sunday April 13, venues to be decided.)

ENGLISH PREMIER LEAGUE

Arsenal 2, Nottingham Forest 0
Coventry 0, Leicester 0
Leeds 1, Everton 0
Sunderland 2, Manchester United 1

Standings: Manchester United 57, Arsenal 54, Liverpool 53, Newcastle 48, Aston Villa 46, Sheffield Wednesday 45, Wimbledon 44, Chelsea 43, Leeds 39, Leicester 37, Tottenham 35, Everton 33, Blackburn 32, Derby 32, Sunderland 32, Coventry 30, Nottingham Forest 27, Southampton 25, West Ham 25, Middlesbrough 22.

ITALIAN FIRST DIVISION

Atalanta 4, Sampdoria 0
Cagliari 0, Lazio 0
Fiorentina 3, Bologna 2
Napoli 0, Milan 0
Perugia 1, Parma 2
Reggiana 0, Piacenza 0
Roma 4, Verona 3
Vicenza 2, Udinese 0

DUTCH FIRST DIVISION

Groningen 2, Twente Enschede 1
Ajax 1, Utrecht 0
Feyenoord 0, PSV Eindhoven 0
NEC Nijmegen 3, RKC Waalwijk 1
NAC Breda 3, Volendam 0
Sparta Rott. 1, Graafschap Doetinchem 1
Willem II Tilburg 2, AZ Alkmaar 2
Fortuna Sittard 0, Roda JC Kerkrade 3
Heerenveen 3, Vitesse 0

Standings: PSV Eindhoven 55 points, Feyenoord 52, Twente Enschede 49, Ajax Amsterdam 39, Vitesse Arnhem 39, Roda JC Kerkrade 39, Heerenveen 37, NAC Breda 35, Graafschap Doetinchem 34, Willem II Tilburg 26, Volendam 26, Sparta Rotterdam 25, Utrecht 25, Fortuna Sittard 25, Groningen 23, AZ Alkmaar 20, RKC Waalwijk 19, NEC Nijmegen 19.

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THE WORLD'S DAILY NEWSPAPER

SPORTS

Kansas Wins Big 12 By Crushing Missouri

Kentucky Gets Even With Mississippi

The Associated Press

Top-ranked Kansas completed the regular season with a 32-1 record and got the Big 12's automatic bid to the NCAA tournament by beating Missouri 87-60 Sunday.

Paul Pierce tied his career highs with 30 points and 11 rebounds, and Jacque Vaughn had a season-high 12 assists for the Jayhawks, who routed Iowa State

College Basketball

72-48 in the semifinals. Missouri (16-17) was the only team to beat Kansas this season, winning 96-94 in double overtime at home on Feb. 4.

Raef LaFrentz scored 16 points for the Jayhawks, Vaughn finished with 13 and Scot Pollard had 10.

No. 6 Kentucky 88, Mississippi 70 On Saturday, Cameron Mills made four of his first five 3-point attempts en route to a career-high 14 points as No. 6 Kentucky beat MississippiSaturday in the Southeastern Conference semifinals.

Mississippi (20-8) ended Kentucky's 14-game winning streak, 73-69, on Jan. 11. In the final, Kentucky (29-4) was to face No. 24 Georgia, which upset No. 4 South Carolina.

No 24 Georgia 78, No 4 South Carolina 62 G. G. Smith scored a career-high 22 points on 8-for-8 shooting in Georgia's easy victory over South Carolina, the SEC's regular-season champion.

The Bulldogs (24-7) shut down South Carolina's trio of guards in the second half. The Gamecocks (24-7) had won 19 of their previous 20 games, with the other a loss to Georgia.

No 3 Utah 89, Texas Christian 68 Keith Van Horn scored 18 of his 37 points in the first half as the Utes (26-3) routed TCU in the Western Athletic Conference championship game. Van Horn, who had 15 rebounds, won Utah's first two tournament games with buzzer-beating shots.

Boston College 70, No. 21 Villanova 58 Boston College (21-8) won its first Big East tournament by manhandling Villanova (23-9), a team it shared the regular-season title with. BC got 14 points apiece from Scoonie Penn, Mickey Curley and Danya Abrams.

Miami, Ohio 96, Eastern Michigan 76 Ira Newble scored a career-high 27 points as Miami of Ohio shot 68 percent from the field against Eastern Michigan in the Mid-American Conference.

Wally Szczerbiak also had a career best with 26 points. Miami (21-8), co-champion of the MAC in the regular season, won its eighth straight.

Marquette 60, North Carolina-Charlotte 52 Marquette (22-8) won its fourth game in four days and another NCAA bid, getting 20 points from Chris Crawford to defeat North Carolina-Charlotte for the Conference USA championship.

No. 19 St. Joseph's 61, Rhode Island 56 Rashid Bey scored 17 points and made a late free throw to help St. Joseph's (24-6) win the Atlantic 10 final and secure its first NCAA tournament berth since 1986.

Jackson State 81, Mississippi Valley State 74 Jackson State became the second team with a losing record to make the NCAA tournament, beating Mississippi Valley State by 81-74 for the Southwestern Athletic Conference's automatic bid.

The 14-15 Tigers join Metro Atlantic champion Fairfield (11-18) as sub-.500 teams crashing the big dance. Jackson State has never been part of the 64-team field.

SW Texas St. 74, NE Louisiana 64 Dameon Sansom scored 18 points in leading Southwest Texas (16-12) to the Southland Conference tournament championship and an automatic bid to the NCAA tournament.

Wisconsin 66, No. 2 Minnesota 65 Ty Calderwood's two free throws with 11.8 seconds remaining lifted Wisconsin and greatly enhanced the Badgers' NCAA tourney hopes.

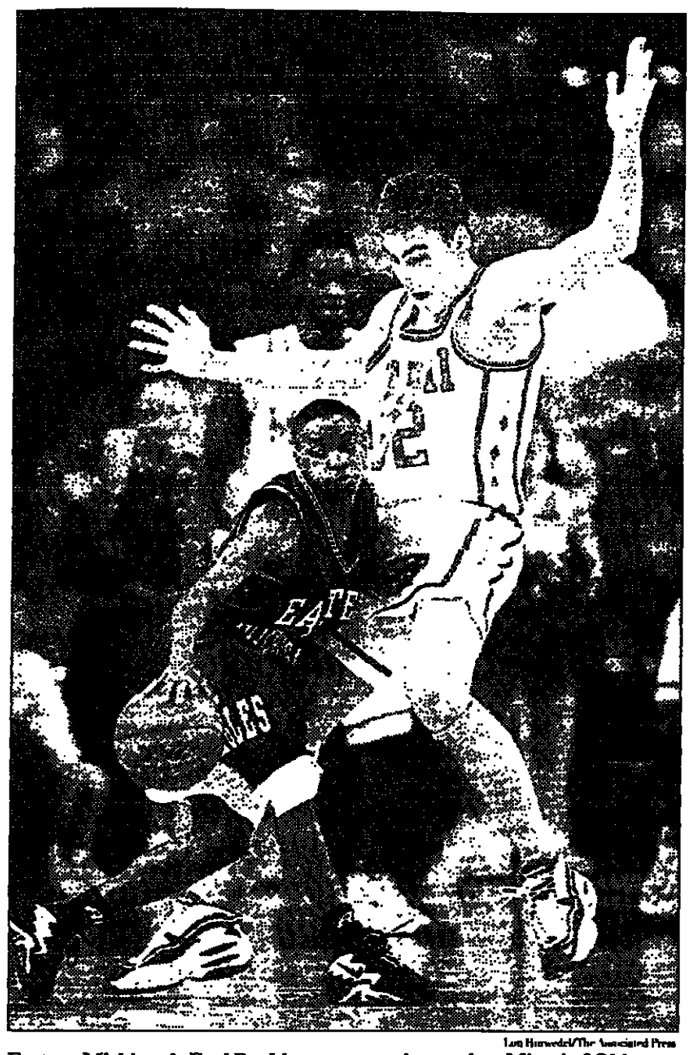
Calderwood finished with 19 points to lead Wisconsin (11-7 Big Ten, 18-9 overall). Bobby Jackson scored 17 points for the Gophers (16-2, 27-3), whose 12-game winning streak was snapped.

No. 9 UCLA 87, Washington St. 86 Cameron Dollar drove the length of the floor for a layup with nine-tenths of a second left as UCLA (15-3 Pac-10, 21-7) beat Washington State. The Bruins had already won the Pac-10 regular-season title and an NCAA bid.

California 79, No. 12 Arizona 77 Randy Duck tied his career high with 22 points, and Sean Marks made two free throws with 21 seconds left for Cal (12-6 Pac-10, 21-8).

Purdue 77, No. 15 Illinois 69 Brad Miller scored a career-high 27 points as the Boilermakers (12-6 Big Ten, 17-11) improved their NCAA chances by winning at home.

Michigan State 63, No. 25 Indiana 60 Antonio Smith had a career-high 19 rebounds and added 10 points for Michigan State (9-9 Big Ten, 16-11 overall). Indiana, which finished 9-9 in the Big Ten, dropped to 22-10.



Lou Hirsch/The Associated Press

Eastern Michigan's Earl Boykins maneuvering against Miami of Ohio.

■ Texas Tech Steps Aside

Texas Tech, which declared two players ineligible during the Big 12 tournament, said it had withdrawn from NCAA tournament consideration and forfeited its 10 conference victories.

The Red Raiders, with a 19-8 record looked set to get an at-large NCAA bid.

School officials said a routine NCAA audit discovered the two players, Fredric (Deuce) Jones and Gracen Averil, were not eligible. They attributed the situation to an administrative oversight.

School officials said the players were ineligible because a grade of "D" had been used in certifying their academic standing.

Cinderella Tripped By Smith's Tarheels

The Associated Press

GREENSBORO, North Carolina — Talent and height beat desire in the Atlantic Coast Conference tournament Sunday — but barely.

As an upset-filled Atlantic Coast Conference regular season spilled over into its postseason, No. 5 North Carolina ended the madness in the tournament final by beating North Carolina State, 64-54. N.C. State was the first eighth-seeded team to play for the title in the event's 44-year history.

It was the Tar Heels' 14th ACC crown — 13 of them under coach Dean Smith, who moved within two of breaking Adolph Rupp's all-time victory mark.

Smith has now won at last three ACC titles in four different decades.

Shammond Williams sank three 3-pointers in a span of two minutes during a second-half surge and Antawn Jamison added two key layups six minutes later as the Tar Heels (24-6) won their 12th straight to lock up a No. 1 seed in the NCAA tournament.

Williams led with 23 points and was selected the tournament MVP, while Jamison added 17 points and 11 rebounds. C.C. Harrison led the Wolfpack (16-14) with 13 points.

The two teams staged a classic tourney chess matches as the 66-year-old Smith matched wits with the first-year Wolfpack coach, Herb Sendek, who is half his age and had half Smith's floor talent.

After trailing by as many as 10 in the first half, the Wolfpack closed to 36-34 with 15:24 left and had a chance to tie or take the lead, but Jeremy Hyatt was called for a charging foul and Williams then nailed three straight 3-pointers to give North Carolina an 11-point lead.

North Carolina State, the Cinderella team of the tournament, had beaten No. 7 Duke in the tournament on Friday and No. 22 Maryland on Saturday. On Sunday it had one last gasp, even with all five starters playing in all but one minute of the second half.

Justin Gainey made a 3-pointer to get the Wolfpack to 47-45 with 6:29 left, but Jamison converted a three-point play off a pass from Williams and then added a layup less than a minute later to give the Tar Heels a 52-45 lead.

N.C. State could pull no closer than four the rest of the way as North Carolina sank eight straight free throws in the final 1:03 to seal its seventh ACC title in the Greensboro Coliseum.

The Wolfpack was 1-10 in the regular season when trailing at halftime, but had comeback from halftime deficits in all three of its games in the ACC tournament.

N.C. State missed 14 of its first 18 shots to fall behind by 10 midway through the first half as North Carolina worked the ball inside at will and controlled the boards.

The Tar Heels made seven straight shots to go up 20-10 before the Wolfpack closed within four points on three occasions.

A Jamison layup gave North Carolina a 30-24 halftime advantage as all but two of North Carolina's first-half points came in the paint or from the foul line.

On Saturday, Williams had scored 24 points to lead five players in double figures, the Tar Heels overcame 33 points from All-America Tim Duncan to beat the Demon Deacons 86-73 Saturday in the semifinals. In the earlier game, Sendek used just six players in a 65-58 victory over Maryland.

Hawks Take Off Quickly To Beat Celtics

The Associated Press

Dikembe Mutombo and Christian Laetner each scored six points Sunday as the Atlanta Hawks started with a 25-2 opening and then coasted to a 114-90 victory in Boston.

The Hawks scored the game's first 19 points and held the Celtics scoreless until Marty Conlon hit a baseline jumper with 5:17 to go in the quarter. Boston missed its first 11 shots and the Hawks hit 7-of-10 during their quick start.

"I felt like there was no resistance in the first quarter," said Mutombo, who had three easy baskets inside during the game-opening spree before being removed with the score 23-2 and 4½ minutes left in the quarter.

NBA Roundup

Hornets 82, Heat 76 Glen Rice had 21 points and Charlotte built a 28-point second-quarter lead and then held off the poor-shooting Miami.

Miami mounted a 20-6 run over the first 10:02 of the fourth quarter to closed to 76-70 on a Tim Hardaway free throw with 1:58 to play, but could get no closer.

Raptors 81, Grizzlies 77 Walt Williams scored 16 points as Toronto tied a franchise high with their 21st win of the season, beating visiting Vancouver. Both the Canadian teams are in their second seasons in the league.

The victory snapped the Raptors' five-game losing streak, while the Grizzlies extended their losing streak to a season-high nine games.

Anthony Peeler led the Grizzlies with 25 points.

Flyers Just What Penguins Needed

The Associated Press

Fredrik Olausson scored after 19 seconds of overtime as the Penguins ended a six-game losing streak with a 3-2 victory over the Philadelphia Flyers in Pittsburgh.

The Penguins won Saturday, the first time in 10 overtime games. The Flyers took their first overtime loss after two victories and 10 ties.

Mario Lemieux assisted on Glen Murray's tying goal for

NHL Roundup

Pittsburgh, the first player to reach 100 points this season.

Bruins 6, Lightning 4 Jason Allison, Kyle McLaren and Sandy Moger scored third-period goals as Boston rallied from a three-goal deficit to win in Tampa.

With the *Lightning* ahead by 4-3 after two periods, Allison tied it, then McLaren scored the game-winner with 8:10 left.

Sabres 3, Canadiens 3 Valeri Bure scored on a power play late in the third period as Montreal came from behind for a tie with visiting Buffalo.

The Canadiens also got goals from Vincent Damphousse and Turner Stevenson. Alexei Zhitnik, Jason Dawe and rookie Barrie Moore scored for the Sabres.



John Dunn/The Associated Press

Todd Bertuzzi about to score on Devils' Mike Dumham.

Islanders 5, Devils 1 Bryan Smolinski, the subject of recent trade rumors, had a goal and two assists as the New York Islanders kept playoff hopes alive with a home victory over New Jersey.

Derek King, Todd Bertuzzi, Randy Wood and Zigmund Palffy also scored for New York. Tommy Salo stopped 28 shots as the Islanders got within four points of a playoff spot in the Eastern Conference.

Steve Thomas scored the only goal for the Devils, who lost for only the second time in their last 20 games.

Whalers 1, Maple Leafs 1 Robert Kron scored at 14:52 of the third period, and Hartford salvaged a tie in Toronto. Wendel Clark's 25th goal of the season put Toronto ahead at 9:40 of the first period.

Coyotes 2, Blackhawks 0 In Chicago, Nikolai Khabibulin made 28 saves for his third straight shutout, and Keith Tkachuk and Mike Stapleton scored for the Coyotes. Khabibulin set three franchise records — for consecutive shutouts, for the longest stretch without allowing a goal (198 minutes 19 seconds) and for shutouts in a season (6).

Kings 3, Senators 1 Ray Ferraro and Ian Laperriere scored less than four minutes apart in the first period and Byron Dafoe made a season-high 44 saves as Los Angeles beat visiting Ottawa.

Red Wings 5, Canucks 3 Brendan Shanahan scored his team-leading 42d goal and had an assist as Detroit won in Vancouver.

The Red Wings built a 4-0 lead and hung on for the win after the Canucks scored twice in the final 14 minutes.

The loss was the sixth in eight games for Vancouver.

After the game the Canucks announced that they had traded two disgruntled forwards, Esa Tikkanen, 32, and Russ Courtnall, 31, to the New York Rangers for Sergei Nemchinov, a 33-year-old center, and forward Brian Noonan, 31.

AL Pitchers Dusting Off Batting Skills

By Murray Chass
New York Times Service

FORT LAUDERDALE, Florida — Some American League pitchers may want to put in for overtime this spring. Their workouts have been stretched to include drills that are alien to them.

"We've been practicing sliding and bunting, we've got the pitchers swinging," said Tom Kelly, manager of the Minnesota Twins. "We've been practicing every day. The only thing we haven't done is run on the bases. We've been sliding, bunting and swinging, all for nine games on the road. You're talking about the pitcher getting up twice in the game, 18 at-bats. And I might kill him. He might hurt himself."

This season, for the first time, teams from one league will play teams from the other during the regular season. When American League teams play in National League parks, the designated hitter will disappear and pitchers will bat.

"We're spending a lot of time to watch this pitcher go up and get embarrassed," Kelly said. "If we have a man on, is there any secret that this man will bunt or attempt to bunt? If he does bunt it, it will probably be a double play. He might be better off striking out. I just hope they don't get hurt trying to slide or swinging the bat."

Not every manager agrees. Joe Torre of the Yankees has explained that his pitchers won't take batting practice until the season starts, or at least until he cuts the staff to 11 pitchers.

But Kelly recalled how after the Twins traded Kevin Tapani to Los Angeles during the 1995 season, the pitcher called some of the friends he left behind and told them he was oh so sore from taking a cram course in hitting.

"That's why we've started swinging," Kelly said, "because they might get hurt. Not that they're going to hit the ball. It's so they don't get hurt. That's the point of bunting and the swinging and stuff. Get the muscles out of the way and get your fingers out of the way so you don't break your fingers on the bat. It's not to execute a bunt or get a hit; it's so they don't get hurt."

All a pitcher has to do is get his hand too far down the bat when bunting and he can come away with a broken finger.

"Wonderful," Kelly said. "That's why we're doing this—to prevent an injury. I don't expect them to be able to bunt; I don't expect them certainly to get a hit. Just so they don't get hurt."

Ray Miller, the Baltimore Orioles' pitching coach, said his biggest concern was with baserunning, if pitchers ever reached base.

"That's where you get hurt the most because they haven't been out there and they quick sprint," Miller said. "In pitching, the only time you quick sprint is to cover first or go after a ground ball."

Miller said the Orioles' pitchers, so far, had worked on bunting but not swinging. "We don't want them to swing the bat too hard and pull something," he explained.

This could be the only season pitchers have to worry about hitting in interleague games. Under the new collective-bargaining agreement, if the clubs want to expand the interleague schedule in 1998 from this season's 15 and 16 games per team to 24 to 30 per team, the designated hitter will be used in all games.



SOCCER Chelsea Wins in FA Cup P. 16 **BASKETBALL** College Cinderellas P. 17 **BASEBALL** Pitchers Learn to Bat P. 17

TOMORROW: STYLE

Herald International Tribune
SPORTS

PAGE 18 MONDAY, MARCH 10, 1997

WORLD ROUNDUP



Eric Gaillard/Reuters

Mauro Ganetti riding in the time trial that opened the Paris-Nice race Sunday. Laurent Jalabert captured the stage.

Eagle Lands Prize

GOLF Clinton Whitelaw of South Africa broke a four-man deadlock in the Moroccan Open Sunday with an eagle at the 17th hole. That put the 26-year-old South African in a two-stroke lead.

A careful par at the last hole gave Whitelaw a final-round 69 and an 11-under-par total of 277, his first European Tour victory, an exemption through the end of 1999 and a check for $93,300.

Australia's Wayne Riley tied with a fellow Australian, Darren Cole, and England's Roger Chapman in second place at 279.

• David Duval shot a rollicking 70 on Saturday for a one-stroke lead over Nick Price going into the final round of the Doral-Ryder Open in Florida. Duval made only three pars in the round, but managed nine birdies to finish 54 holes at 12-under 204. *(AP)*

West Indies In Charge

CRICKET West Indies took a first innings lead of 81 runs when it bowled out India for 346 on the fourth day of the first test in Kingston, Jamaica, on Sunday. West Indies then reached lunch at 29 without loss in its second innings.

Paceman Franklyn Rose, on his debut, dismissed India's Abey Kuruvilla for 0 to finish with six wickets for 100 runs.

• In Dunedin, New Zealand, Sri Lanka ended the third day of the first test Sunday 327 runs behind New Zealand. Sri Lanka was all out for 222 in its first innings, 364 behind New Zealand, which made the tourists follow on and take their second innings at once. Sri Lanka was 37 without loss in when rain stopped play. *(Reuters)*

Krajicek at Home

TENNIS Richard Krajicek, the Wimbledon champion, beat the unseeded Czech Daniel Vacek by 7-6 7-6, in the $750,000 Rotterdam World Indoor final on Sunday. *(Reuters)*

Rodman Turns Wrestler

Dennis Rodman has signed with a professional wrestling promoter and will be in the ring as Hulk Hogan's tag-team partner on a pay-per-view card this summer. The Chicago Bulls' star will be cast as a bad guy. Rodman's contract is with World Championship Wrestling, a division of Time-Warner.

Eric Bischoff, WCW executive vice president said "The Worm" would join a group of antihero wrestlers called the New World Order, led by good-guy-turned-bad-guy Hogan, professional wrestling's biggest star. *(AP)*

In One for the Ages, Russian Beats Slaney

2d Record Gives Kipketer the Gold

By Ian Thomsen
International Herald Tribune

PARIS — Looking up at the giant TV screen, as if it were a rearview mirror, Mary Slaney could see no threat behind her in the last strides of the 1,500 meters final. Then, suddenly, on her right shoulder, she was overtaken by three one-hundredths of a second by her only peer in these World Indoor Championships, the Russian she had been hearing about all weekend.

After the race, the two runners sat next to each other at a press conference. Slaney, the 38-year-old silver medalist, has a 10-year-old daughter in Oregon. Yekaterina Podkopayeva, the 44-year-old Russian gold medalist, has two sons aged 15 and 10.

Do you remember me, Podkopayeva asked with her hands, nodding and smiling, and holding up three fingers to Slaney. Slaney nodded, smiling back, but she did not remember. In 1983, Podkopayeva had finished third behind Slaney in the outdoor World Championship 1,500 meters. It took her 14 years, but on Sunday the Russian caught up.

Sunday brought an emotional conclusion to these sixth indoor championships, which were characterized by the injection of a $50,000 prize for each gold-medal winner and for each competitor who broke a world record. The big winner was Wilson Kipketer, the Kenyan-born Dane, who was assured of a $50,000 bonus Friday when he set a world record of 1 minute 43.96 seconds in an 800-meter heat. On Sunday, Kipketer earned another $50,000 for winning the gold medal — while breaking the world record again — in 1:42.67, more than three seconds faster than the field. There was no second bonus for breaking the record twice, so Kipketer had to settle for a $100,000 weekend.

For Maria Mutola, who sat sobbing just past the finish line after holding off Natalya Dukhnova of Belarus to win the women's 800 meters in 1 minute, 58.96 seconds, it could be argued that the prize money bore little meaning. Two weeks ago, Mutola returned home to Mozambique for the funeral of her father, who had been hit by a car. After the funeral, her mother and brothers asked Mutola to run in the world championship for her father.

Last week, in something of a fog, not having eaten for three days, she flew to Barcelona to train. She did not look like her old dominant self even as she was winning her third successive world indoor gold medal.

"My father loved to see this so much, and he is not going to be able to see this anymore," said Mutola, 24. "I'm going to miss him. I don't know how I will be able to do this without him."

The most dramatic ending had been arranged for Slaney, who qualified for these championships two weeks ago by running the world's fastest indoor 1,500 meters in seven years in 4:03.08. Her career has been struck down by about 20 operations, exercise-induced asthma, and her tumble over Zola Budd in the 1984 Olympics.

Many of the key elements of her gloriously troubled career were compressed and unwound Sunday in the seven and a half laps round the highly banked track. Coming out of the first turn she stumbled over her American teammate, Suzi Hamilton, shooting her a look.

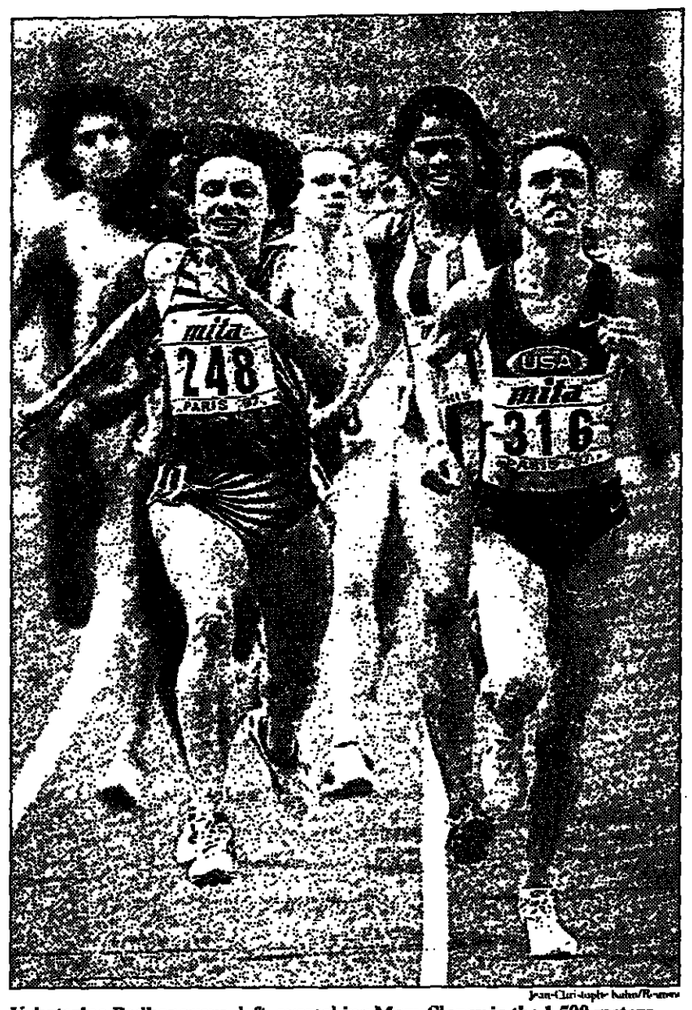
Slaney was feeling "heavy," in part, she said, because it had taken her two extra days to reach Paris after one flight from the United States was canceled and another had to turn back after two and a half hours. She had been hoping to break the world record under the 4-minute barrier, but had to settle for a silver medal in 4:05.22, in what was her first World Championship since she beat Podkopayeva in 1983.

Podkopayeva, who lives near Moscow, has had her own troubles over the decades. She would have been an Olympic gold-medal favorite in 1984 if not for the Soviet boycott. More recently, she has been arguing defiantly with her Russian coaches, who have been interested in more youthful runners.

Now that the sport is professional, she has been running to support her family. At the Russian trials last month in Volgograd, she admittedly ran a slow, tactical race in a successful attempt to prevent her younger Russian rivals from earning a qualifying time for the world championships. Her times this winter had been unimpressive, but she kept the secret to herself that she could win a medal in the 1,500 meters.

She moved into third on fresh legs with two laps to go, and coming out of the last turn she sneaked up behind Slaney.

Afterward, the people who love the sport were talking about the history the Russian had made against the American, the drama of their intertwining pasts. Podkopayeva said, "The $50,000 will pay for a new apartment."



Jean-Claude Coutausse/Reuters

Yekaterina Podkopayeva, left, overtaking Mary Slaney in the 1,500 meters.

Track Stars Ready to Dash For Millions

By Ian Thomsen
International Herald Tribune

PARIS — Depending on who you talk to, the last weekend in May will either be the death of track and field, or else it will steer a promising new course for the sport's professional future.

Adidas announced Saturday that it would sponsor a winner-take-all $1 million race on May 31 between two of its world-renowned clients, Noureddine Morceli of Algeria and Haile Gebrselassie of Ethiopia.

The $1 million prize will be awarded only if the winner runs his two-mile race at Hengelo, Netherlands, in less than 8 minutes, something that has never been done at the rarely contested distance. The next day in Toronto, two Olympic sprint champions, Michael Johnson and Donovan Bailey, will race against each other at 150 meters in a similar, privately sponsored $2 million race. It is hoped by many that the two events will feed off each other.

Adidas will try to promote its head-to-head match as a logical follow-up to Roger Bannister's conquest of the 4-minute mile. Athletic purists will argue that one is a perversion of the other. Bannister was a medical student who trained when he could, and he broke the 4-minute barrier at a small meet in Oxford. Morceli and Gebrselassie are full-time professionals with several world records and Olympic and World Championship titles to their credit.

Their race will be a sanctioned IAAF event as part of the Adriaan Paulen Memorial meet. Pace-setting rabbits will be entered in the race, along with enough also-rans to make the race official.

Athletes and sponsors have been arguing that athletics needs to increase its profile, and that these boxing-style promotions are a good start. Now that the sport is completely professional, with $50,000 prizes being introduced over the weekend at the world indoor championships in Paris, the sponsors are eager to compete for publicity along the lines of other professional sports.

But the age-old protectors of track and field are worried that shoe companies like Adidas and Nike will organize their own competitions to the detriment of Grand Prix meets, the world championships and the Olympics.

The two-mile distance was arranged as a compromise between two Adidas athletes who otherwise wouldn't have raced against each other. Morceli used to hold the world record at 3,000 meters, the closest equivalent to 2 miles. Gebrselassie, however, has set two world records at Hengelo at 5,000 meters in 1994 and 10,000 meters in 1995.

"This is going to be a very, very big race for me and Haile," said Morceli.

Coulthard and McLaren Win First Formula One

Reuters

MELBOURNE — David Coulthard's rivals faltered, and he swooped to earn the McLaren team its first Formula One victory in more than three years in the season-opening Australian Grand Prix at Albert Park.

The 25-year-old Scot grabbed the second victory of his career, while both Williams drivers crashed, and the defending world champion, Damon Hill, failed to complete the warm-up lap.

Williams had dominated prerace practice and occupied the first two positions on the starting grid. Jacques Villeneuve, who was in pole position, was pushed off at the first corner after a collision with Johnny Herbert's Sauber and a Ferrari driven by Eddie Irvine.

Racing's High-Tech TV. Page 16.

Heinz-Harald Frentzen of Germany, who took over from Hill at Williams, spun off while lying second in the 56th of the 58-lap contest.

Michael Schumacher of Germany, who had lost second place to Frentzen after having to make a late fuel stop, climbed to second in his Ferrari. Mika Hakkinen, driving a McLaren, finished third.

McLaren's last victory was in the Australian Grand Prix in Adelaide in 1993, won by Ayrton Senna in his final race with the team.

Hakkinen, who had suffered head injuries in Adelaide at the 1995 Australian Grand Prix, finished just six-tenths of a second ahead of a Benetton driven by Gerhard Berger of Austria.

Oliver Panis of France was fifth for the new Prost team. Nicola Larini of Italy finished sixth for Sauber.

Hill's luckless weekend ended on the prerace parade lap when he dropped out with a throttle problem before the grid formed up. Hill's misery started in practice and qualifying when he battled for a place on the grid. He should have started from the back row in his Mercedes-Benz powered car, but did not start at all.

"I lost the throttle," he explained. "But I don't know exactly what happened. It is always disappointing to retire, but even more so not to make it to the grid. However, I believe the team has real potential."

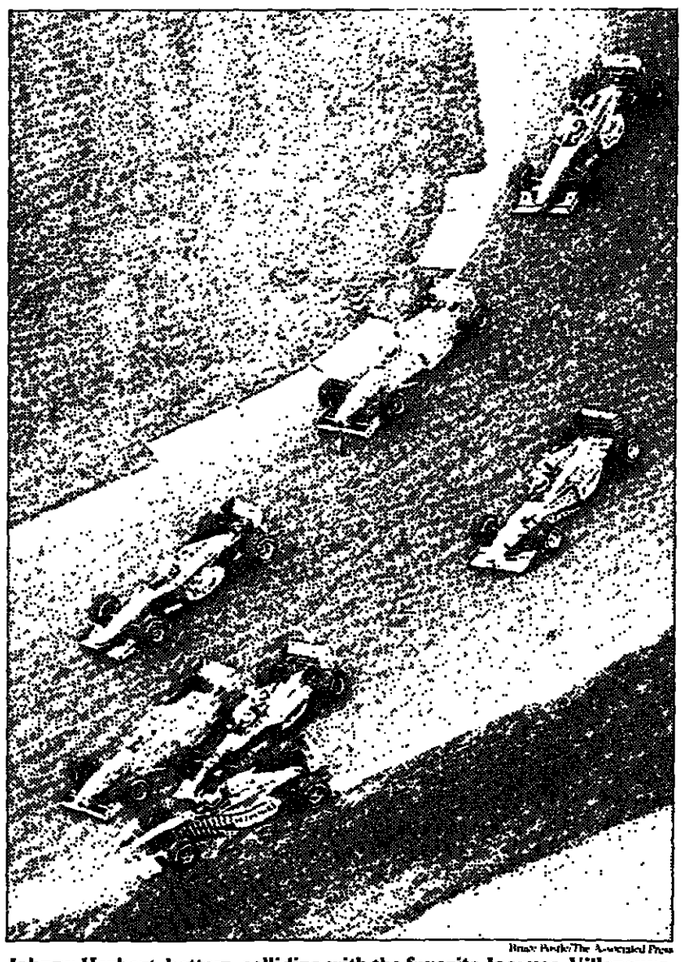
Coulthard enjoyed different emotions: "I felt a mixture of relief and disbelief. It was an emotional win for me and I felt like crying in the car. I spent a lot of time behind Michael in 1995, so I learned how to keep someone behind you and resisted his pressure on me today."

Coulthard said he was fortunate to have missed "all the aggro" at the first turn.

Herbert said he was angry with Irvine for the incident. "He's done it before and it's out of order," he said.

Ralf Schumacher, the 21-year-old younger brother of Michael, dropped out on the second lap with a broken driveshaft on his debut, and both Stewart drivers failed to last the distance despite running in the top 10 at one stage.

The most frustrated man of all was Jean Alesi of France, who ran out of fuel on lap 35 just as he was planning to come to the pits. His radio contacts failed.



Bruce Forde/The Associated Press

Johnny Herbert, bottom, colliding with the favorite Jacques Villeneuve, middle, as Eddie Irvine, the driver who caused the crash, raced ahead.

Stangassinger Takes Slalom, Beating Jagge

The Associated Press

SHIGAKOGEN, Japan — The Olympic gold medalist at Lillehammer, Thomas Stangassinger, skiing on next year's Olympic course, edged Finn-Christian Jagge in the slalom Sunday, his first World Cup victory in three years.

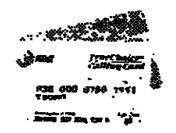
Starting second from last as light snow fell, the 31-year-old Austrian raced the fastest second run of the day. His aggregate time of 1 minute 41.10 seconds was .84 faster than that of Jagge, a Norwegian also seeking his first World Cup victory since 1994. Ole-Christian Furuseth of Norway, who led Stangassinger 48.93 seconds to 49.32 on the first run, almost fell on his second run but recovered to finish third in 1:42.32.

Saturday's Skiing, Page 16



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